



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

Ana Cortez-Steiner – *City Administrator*

MEETINGS VIA ZOOM CONFERENCING November 10, 2020 Pacific Time (US and Canada)

Morning Study Session 8:30 AM to 11:00 AM

Join Zoom Meeting

<https://us02web.zoom.us/j/82576200109?pwd=cDhMKzB1ZER0MUhxUjFwYU9vc01Rdz09>

Meeting ID: 825 7620 0109

Passcode: 858403

Afternoon Committee Meetings

Economic Development 3:45 – 4:30 PM * Parks 4:30 – 5:15 PM * Public Works 5:15 – 6:00 PM
Councilmembers will attend based on their specific assignments.

Join Zoom Meeting

<https://us02web.zoom.us/j/82853308747?pwd=aHg0VjRZZWpDbTRElPkenPTOWVidz09>

Meeting ID: 828 5330 8747

Passcode: 656074

Regular Evening Meeting Begins at 6:30 PM

Join Zoom Meeting

<https://us02web.zoom.us/j/88091492074?pwd=QXFOeDR5cjNraFhXMnNJTUV6c1dEz09>

Meeting ID: 880 9149 2074

Passcode: 789246

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

+1 253 215 8782 US

Or Find your local number: <https://us02web.zoom.us/j/kkFwJpdVd>

PLEASE TAKE NOTICE, in consideration of the current COVID-19 pandemic, for the health and safety of the community, city staff, and councilmembers, City Hall is closed to the public.

We encourage all Councilmembers, Staff, and the public to utilize the Zoom Conferencing 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, November 9, 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, November 9, 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

November 10, 2020 – 6:30 PM

Call to Order

Roll Call

Consent Agenda

1. Approval of Agenda
2. Approval of October 27, 2020 Regular Meeting Minutes
3. October 2020 Payroll \$261,498.58
4. 2020 Claims \$2,713,931.27
5. PRSA Voucher Request \$55,000.00
6. Set Public Hearing on Local Facility Charge – Former Clennon URA on 11/24/2020 at 6:45 PM

Council Committees – 2nd Tuesday

Economic Development 3:45 PM

Parks 4:30 PM

Public Works 5:15 PM

Councilmember and Committee Reports

Mayor / Administration Reports

Comments from the Public on Items Not on the Agenda

7. **Public Hearing: 2021-2022 Preliminary Budget Administrator Review at 6:45 PM**

Resolutions, Ordinances, Orders, and Other Business

8. Action: Ordinance 1620 - Adopting Ad Valorem Tax
9. Action: Authorize Mayor to Sign Tax Levy
10. Action: Professional Services Agreement-Gray & Osborn-Water Plant Essential Improvements
11. EXECUTIVE SESSION: RCW 42.30.110 (1)(i) Discussion of Legal Ramifications

Information Items for Future Consideration

12. Public Hearing on Final Budget on 11/24/2020 at 6:45 PM

Adjournment

(Next Ordinance is 1621 – Next Resolution is 19-2020)

CONSENT AGENDA

1. City Council Meeting Agenda:

This item is included under **TAB 1.**

2. Regular Meeting Minutes – 10/27/2020:

This item is included under **TAB 2.**

3. October 2020 Payroll:

This item is included under **TAB 3.**

4. 2020 Claims:

This item is included under **TAB 4.**

5. PRSA Voucher Request

This item is included under **TAB 5.**

6. Set Public Hearing on Local Facility Charge – Former Clennon URA on 11/24/2020 at 6:45 PM

The City Council is being asked to set the public hearing for the affected property owners of the former Clennon Utility Reimbursement Agreement. Notice of this proposed hearing was mailed to all affected property owners on Monday, November 2, 2020. During the hearing, the Council will review the proposed Ordinance for the new Local Facility Charge and will be provided copies of the former Clennon Utility Reimbursement Agreement as well as details of payments received versus the dollars that the City paid out to Mr. Clennon.

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

7. Public Hearing: 2021-2022 Preliminary Budget Administrator Review at 6:45 PM

The City Administrator presents the City's Preliminary Budget for FY 2021 and FY 2022. The City Administrator has approved the preliminary budget which reflects multiple conversations with the Finance Committee and City Council. The preliminary budget is a comprehensive fiscal and policy document that pursues the City's vision as a community of creative people dedicated, as partners, to effectively serving the diverse needs of City residents, business interests, visitors and the Upper Valley neighbors. The budget adheres to standards of the Government Financial

Officers Association (GFOA), State Auditors Office (SAO), the Revised Code of Washington (RCW) and the City of Leavenworth Municipal Code (LMC).

The preliminary budget is responsible and responsive. The preliminary budget reflects no disruptions or decreases to levels of service, increases in personnel capacity and continues a commitment to the City's capital infrastructure - all while taking affirmative steps toward the implementation of City Council and Mayor priorities, ranging from important community building projects like the potential redevelopment of the Osborn Property, to the pursuit of housing supply balance. The shutdowns and other impacts from COVID-19 have affected funding streams and it is unclear when this threat will end. Due to the diligence of the City Council and previous administration, we entered the crisis with substantial General Fund reserves. Said reserves allowed us in 2020 to avoid major disruptions to services and to keep our employees working through their old positions or through new opportunities such as the Downtown Ambassadors.

The proposed budget continues historical approaches that balance short term financial realities and the need to sustain municipal services in the long term. The document is responsive to the needs of our City. Following the leadership of the City Council, the Preliminary Budget includes one new full time Communications Analyst in the Mayor's Office, one half time Clerk Support position in the Clerk's Office and one half time Program Support PRSA position that will be managed by the City. These positions increase capacity and add much needed human resources to a City that although small, has mid-size city workloads. Other key funded priorities include:

- ❖ Osborn Property acquisition and visioning
- ❖ Parking and pedestrian systems improvements
- ❖ Significant General Fund investments to capital improvements
- ❖ Over 1.5M in non-General Fund dollars invested in public utility infrastructure
- ❖ Implementation of Downtown Master Plan
- ❖ Diversified housing options
- ❖ Improvements to Lions Club Park
- ❖ Exploration of economic development strategies leading to economic diversification

City staff has taken a conservative approach to developing this budget, taking cue from the financial responsibility the City Council has historically shown. This philosophy is clearly reflected in our conservative revenue forecast. This budget preserves levels of services while maintaining a solid general fund reserve. This budget keeps replacement schedules, capital investments, and debt payments intact.

As stewards of the City, City Staff has prioritized the long term health of the City and positioned Leavenworth to emerge from the COVID-19 crisis with its financial stability in check, its internal capacity increased, and its investments in the sustainable of the City ready for the future.

The following items are included under **TAB 7**:

- Preliminary Budget PowerPoint Presentation

SUPPLEMENTAL COUNCIL AGENDA

8. Ordinance No. 1620 – Adopting Ad Valorem Tax

The City Council is being asked to consider options for Ordinance 1620, which is the authorization of the property tax levy for the 2021 tax year. This ordinance will include increase estimates of \$25,430.28 for new construction, \$3,080.03 for annexations, and \$7,209.70 for refunded revenue by the Assessor's office. The total maximum preliminary property tax allowed is \$659,101.77. The City Council held a public hearing at the October 27, 2020 Council meeting to review the options this year to request the annual property taxes. In prior years, there were additional options due to the City having banked capacity (property taxes that were available for request but had not been requested by the City Council); as of this year, no banked capacity is remaining. At the hearing last month, Finance Director Chantell Steiner reviewed the two options that includes either requesting the 1% allowable increase per State law that will generate an additional \$6,189.67 (this is slightly higher than was previously presented) or not requesting the 1% and only accepting the new construction, annexations, and refundable revenues. The Ordinance will need to be signed by all Councilmembers and transmitted to the Assessor's Office no later than November 30, 2020.

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

- Ordinance 1620 – Example Prepared with the request of 1%
- City of Leavenworth Regular Tax Levy Preliminary Values for the 2021 Tax Year

- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1620 with the Ad Valorem Tax increase of \$6,189.67, which is an increase of 1% from the previous year.*

9. Authorize Mayor to Sign Tax Levy

In addition to setting the property tax levy, the Department of Revenue and the County Assessor require a levy certification. This certification figure is approximately \$25,000 more than the actual levy amount for the regular levy to allow the Assessor to collect more revenue if projections for taxes come in higher than anticipated due to revaluations, new construction, annexations, or refunds.

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

- Department of Revenue Levy Certification
- **MOTION:** *The Leavenworth City Council moves to authorize the Mayor to sign the Tax Levy Certificate.*

10. Professional Services Agreement-Gray & Osborn-Water Plant Essential Improvements

The City Council is being asked to review and approve the proposed Professional Services Agreement (PSA) with Gray & Osborne Engineering to provide bidding and construction administrative service for the Water Treatment Plant Essential Improvements Project. Gray & Osborne previously provided specifications and drawings for the essential improvement project

based on their inspection in an amendment to a previous PSA for the assessment/alternatives for total Water Treatment Plant upgrades. These improvements to the basement piping and infrastructure at the plant are essential to continued operation of the plant until the final overall upgrades to the plant have been decided, funded, and completed.

Approval of this PSA will allow Gray & Osborne, Inc. to prepare the project for bidding, advertisement and management of the bid process, evaluate the bids, make a recommendation to Council for award of the bid, and then manage and inspect the project through completion and City acceptance.

Additionally, upon Council approval of the PSA, staff seeks approval to advertise the bid package. It is the City's intent to have the bid awarded and in place for construction and completion in May of 2021 when the plant is off-line due to high water turbidity.

The following items are included under **TAB 10**:

- Gray and Osborne, Inc. PSA
- Water Treatment Plant Essential Improvement Drawings
- Engineer's Estimates

- **MOTION A:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the Professional Services Agreement with Gray & Osborne, Inc. for bidding and construction management of the Water Treatment Plant Essential Improvements Project with a not to exceed amount of \$25,180.00.*

- **MOTION B:** *The Leavenworth City Council moves to approve the advertisement for bids for the Water Treatment Plant Essential Improvements Project.*

11. Executive Session RCW 42.30.110 (1)(i) Discussion of Legal Ramifications

There are no items included under **TAB 11**.

INFORMATION ITEMS FOR FUTURE CONSIDERATION

12. Public Hearing on Final Budget on 11/24/2020 at 6:45 PM

- There are no items included under **TAB 12**.