

LEAVENWORTH CITY COUNCIL MINUTES
November 10, 2020

Mayor Carl J. Florea called the November 10, 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: City Administrator Ana Cortez-Steiner, Chantell Steiner, Lilith Vespier, and Sue Cragun.

APPROVAL OF THE CONSENT AGENDA

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

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

COUNCILMEMBER AND COMMITTEE REPORTS

Councilmember Wilson reported that she attended the Festhalle Oversight Committee meeting and a MRSC Webinar entitled, Introduction to Economic Development for Local Governments During COVID-19 and Beyond. She said that the instructors are encouraging cities to recruit new business and industry; businesses that do not compete with the current business community. To ensure that gifting of public funds goes to the poor and infirm when providing award money. The public may contact the Department of Commerce for more information on grant funding. She also attended the Economic Development and Parks Committee meetings. Parks Committee discussed the Park Use Request form, a \$100 fee to rent the gazebo, and to include language from Resolution 07-2020 regarding rules and standards of conduct. Mara Bowman from Wenatchee River Institute addressed signage at Waterfront and Front Street Parks that needs to be updated with accurate information and requested the City’s help with funding and reproducing new signage. Morgan Eastman from the Chamber of Commerce will be meeting with City Administrator Cortez-Steiner to discuss a Leavenworth Walking Tour app that will provide history on Leavenworth.

Councilmember Bretz reported on the Economic Development Committee meeting and stated that Mr. Carlos Bernal will be providing a proposal to rent the P1 Parking Lot for a Dia de los Muertos Festival next year. The Committee discussed the Economic Development budget and priorities with regard to budgeted funding for Economic Development projects of \$50,000 for years 2021 and 2022. The Committee addressed downtown WiFi and a kitchen incubator theory; the Committee would like to move forward with downtown WiFi and has referred the kitchen incubator to the Festhalle Oversight Committee. There was discussion of mobile vendors, which is also being discussed by the Planning Commission, and the current state of the Festhalle operations with regard to COVID cancellations and how to provide more opportunity for smaller groups to rent the Festhalle. Staff will collaborate with other cities in similar situations and work with the Governor’s office on best practices to operate the facility during the pandemic.

Councilmember Waters suggested contacting Senator Hawkins office when looking for information that is not readily available from other governmental agencies, with regard to COVID-19. She attended the Chelan County Solid Waste Advisory Council meeting and reported that there is no charge to drop off moderate household hazardous waste, but donations are being accepted, the apple maggot brush and green waste is going to the Winton site, the Winton Compost Yard is permitted to take 60 tons of food waste; although, they are still working through the permit process, there is a new State mandated planning process, and there is a used paint program beginning in 2021 where residents may either purchase or resell used paint products. She also attended the Planning Commission, Parking Advisory, Festhalle Oversight, Cascade School District, Study Session, Parks, and Public Safety Committee and Board meetings.

Councilmember Strand stated that local health officials are asking that everyone get a flu shot this year, as flu symptoms are the same as COVID-19 symptoms. He said that there are 40% more hospitalizations than two weeks ago; be safe, mask up, and social distance.

Councilmember Lundgren reported that he attended the Parks and Public Works Committee meetings. Public Works addressed the Safe Routes to School proposed snow removal process; there will be further discussion at the next meeting. Mayor Florea provided an update on the current city projects. He confirmed that the South Interceptor Replacement project is over budget due to the unexpected terrain and that the Water Plant upgrades planned for 2021 will cost several hundred thousand. Finance Director Steiner noted that the water meters have been replaced and that this month was the first reading; meters have not previously been read during the winter months. She encouraged residents to call the City if they notice anything unusual with regard to billing.

Councilmember Hessburg reported on the Parking Advisory Committee meeting and stated that the group discussed the Residential Zone Parking Program code language with City Attorney Tom Graafstra. Attorney Graafstra is providing guidance on amendments to the current draft and will provide suggestions for edits in the future. The Committee was introduced to the City's new Code Enforcement Officer for Parking, Mr. Aaron Stark. She said that the Committee is working on naming the parking lots with recognizable names rather than numbers, which will be more visible and user friendly. The Committee received a presentation on Employee Parking Options from Transportation & Parking Program (TAPP) Team Member Christie Voos; the group is narrowing down parking options for downtown employees and residents. The next meeting will be held on November 19, 2020. She also attended the Economic Development Committee meeting.

Councilmember Reister reported that he attended the Festhalle Oversight Committee meeting. The group discussed how to better use the facility during the pandemic, which will be an ongoing topic of discussion, he noted that heating costs of the facility are a challenge for considering small groups with reduced rates. He also attended the Public Works Committee meeting.

MAYOR/ADMINISTRATION REPORTS

Mayor Carl Florea reported on the morning Study Session and stated that the Council received a presentation on the Leavenworth Area Promotion (LAP) budget; the LAP Committee is being responsible with promotions and will have mid-week programs during Christmas Lighting in order to spread out visitors. Additional topics included the draft Planning Commission Docket for 2021, allowing for beekeeping in the city limits, and a sister city request from St. Martins Vesubie, France.

City Administrator Ana Cortez-Steiner reported on the recent uptick in COVID-19 cases around the County and noted that the Governor's office has provided information on the rapid spread of the disease around WA State. She reported on the Front Street Closure workgroup meeting and stated that the group discussed winter Special Use Permits (SUP), how to increase and extend the winter season for local merchants, and conduct snow operations in a safe manner; a draft winter SUP is now available. She provided a brief overview of how the SUP's will be implemented throughout the winter months; staff is working with the Fire District to ensure access to fire lanes. Notice of the SUP process will be press released and posted to

social media as a direct response to merchants who are concerned with winter revenues. She reported on the progress of the new Transportation & Parking Program (TAPP) and stated that work is being finalized on the Residential Zone Parking Program; the program is being fully vetted by the Planning Commission, Development Services, and the City Attorneys office. She said that the Community is being asked to help name the parking lots by way of social media, which is open until Thanksgiving. She reported on the Festhalle Oversight Committee meeting and stated that the group discussed various options for use of the facility during the pandemic; the Governor's guidelines are not directed toward a public venue. Mayor Florea and the Festhalle Manager are working to receive more information from the Governor's Office, arguing the case to allow retail activities within the venue. The group is also reviewing the pricing structure to allow for smaller events to use the facility at a lower rate. There have been discussions to allow for the Festhalle kitchen to be converted to a community and/or industrial kitchen space during the week, not to compete with weekend events.

Finance Director Chantell Steiner reported on the Festhalle Fund, which has a current balance of \$9,106 and is projected to cover all costs through the end of the year if no issues arise.

Development Services Manager Lilith Vespier reported on the current progress of the Housing Action Plan; she asked that employers participate in the survey and that residents continue to share their housing stories. She provided a brief update on the status of the Transportation Element. She provided an update on the Leavenworth Haus Apartments and stated that the first building will be opening in December. She reported on the numbers of building permits that the City has received and noted that the Residential Building Code will be changing in January. She stated that she is currently working on review of applications for the Assistant Planner position and anticipates interviews in the next few weeks. She announced that the Planning Commission has an opening for someone residing in the Urban Growth Area.

COMMENTS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA

None.

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

Mayor Florea opened the public hearing at 7:27 PM.

City Administrator Ana Cortez-Steiner began the Public Hearing with a PowerPoint presentation and stated that the City is entering a new fiscal year; she addressed the past year and lessons learned throughout the onset of the pandemic and all that has taken place to ensure that Leavenworth is a safe destination; there has been collaboration between city staff, public works, Chamber of Commerce, fire, sheriff, etc. She addressed the Council's priorities for the future and the policy framework that has come from those priorities, to include increasing internal capacity at City Hall. She spoke to various city funds and proposed 2021 and 2022 revenues and provided a review of all funds. She addressed the City's cash on hand with regard to the beginning fund balance for 2021 and 2022 and then the cash reserves for the same years. She stressed the necessity of having a large cash reserve as well as living within the City's means. She noted that staff will continue to monitor the Water, Garbage, Capital Improvement, and Festhalle Funds.

Mayor Florea asked for comments from the public, hearing none, he closed the public hearing at 7:47 PM.

8. Ordinance No. 1620 – Adopting Ad Valorem Tax

Finance Director Chantell Steiner stated that 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. She said that the Council may take the annual allowable 1% increase or that there is the option of not taking the increase, which is not necessarily beneficial for the City. She provided a brief explanation regarding how the 1% is collected. There was discussion whether or not to take the 1%; Councilmember Lundgren is not in favor of taking the tax increase. Councilmember Bretz spoke in favor of the history of taking the 1% tax increase

versus not taking the increase and reminded the Council of the need to consider that overall expense increases exceed this small but critical revenue source. Councilmembers shared their collective thoughts on the process and the need to consider the increase for long-term stability of the City's financial health.

Councilmember Bretz motioned to adopt Ordinance 1620 with the Ad Valorem Tax increase of \$6,189.67, which is an increase of 1% from the previous year. The motion was seconded by Councilmember Hessburg and passed 4/3 with Councilmembers Wilson, Waters, and Lundgren opposed.

9. Authorize Mayor to Sign Tax Levy

Finance Director Chantell Steiner stated that in addition to setting the property tax levy, the Department of Revenue and the County Assessor require a levy certification. She noted that \$25,000 has been added to the total request in order to ensure that the City receives the maximum property tax, due to additional assessments of preliminary values, new construction, annexations, and refunds that will be finalized in February 2021 by the Assessor's Office.

Councilmember Hessburg motioned to authorize the Mayor to sign the Tax Levy Certificate. The motion was seconded by Councilmember Bretz and passed unanimously.

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

Mayor Carl Florea stated that 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 services for the Water Treatment Plant Essential Improvements Project. The 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 the 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. There was a brief discussion of the different options for the Water Plant Upgrade project that were previously presented by Gray & Osborne.

Councilmember Bretz motioned 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. The motion was seconded by Councilmember Strand and passed unanimously.

Councilmember Lundgren motioned to approve the advertisement for bids for the Water Treatment Plant Essential Improvements Project. The motion was seconded by Councilmember Hessburg and passed unanimously.

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

Councilmember Waters motioned to recess into Executive Session for 15 minutes under RCW 42.30.110 (1)(i) to discuss legal ramifications with potential action to be taken at 8:26 PM. The motion was seconded by Councilmember Hessburg and passed unanimously.

Mayor Florea reconvened the regular City Council meeting at 8:41 PM.

Councilmember Hessburg motioned to recess into Executive Session for 10 minutes under RCW 42.30.110 (1)(i) to discuss legal ramifications with potential action to be taken at 8:43 PM. The motion was seconded by Councilmember Wilson and passed unanimously.

Mayor Florea reconvened the regular City Council meeting at 8:54 PM.

Councilmember Lundgren motioned to contract for a Phase 2 Environmental Site Assessment with Associated Environmental Group (AEG), LLC for \$21,000, on the condition that the City receives access to the site. The motion was seconded by Councilmember Wilson and passed 4-2-1 with Councilmembers Waters and Hessburg opposed and Councilmember Bretz abstaining.

Councilmember Hessburg noted that she stated her opposition because the City has an offer from the EPA to cover the work, although it would extend the project timeline, it is the Council's fiduciary responsibility to consider that. Councilmember Waters agreed and Councilmember Bretz stated that she did not have enough information to vote.

Mayor Florea stated that the City will move forward with AEG, LLC for the Phase 2 assessment, notify the School District, and will seek to extend the Memorandum of Understanding (MOU) with the School District, as the agreement is expiring at the end of the year.

INFORMATION ITEMS FOR FUTURE CONSIDERATION

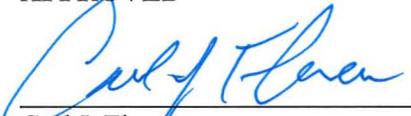
7. Public Hearing on Final Budget on 11/24/2020 at 6:45 PM

ADJOURNMENT

Seeing no other business, Councilmember Hessburg motioned to adjourn the November 10, 2020 meeting of the Leavenworth City Council. The motion was seconded by Councilmember Bretz and passed unanimously.

The meeting adjourned at 8:58 PM.

APPROVED



Carl J. Florea
Mayor

ATTEST



Chantell Steiner
Finance Director / City Clerk