



City of Leavenworth

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City Council
Cheryl K. Farivar - *Mayor*
Carolyn Wilson – *Mayor Pro Tem*
Mia Bretz
Margaret Neighbors
Sharon Waters
Clint Strand
Jason Lundgren
Position No. 7 - *Vacant*
Joel Walinski - *City Administrator*

LEAVENWORTH CITY COUNCIL AGENDA

Leavenworth City Hall – Council Chambers
November 12, 2019 – 6:30 PM

Call to Order

Flag Salute

Roll Call

Council Committees – 2nd Tuesday

Economic Development 3:00 PM

Parks 4:00 PM

Public Works 5:00 PM

Consent Agenda

1. Approval of Agenda
2. Approval of October 22, 2019 Regular Meeting Minutes
3. October 2019 Payroll \$262,434.58
4. 2019 Claims \$512,348.24
5. PRSA Voucher Request \$54,800.00
6. Set Public Hearing: Utility Leavenworth Municipal Code Changes at 6:45 PM on 11/26/2019

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: Mc Devitt Annexation at 6:45 PM

Resolutions, Ordinances, Orders, and Other Business

1. Action: Ordinance 1600 – McDevitt Annexation
2. Action: Ordinance 1601 – Adopting Ad Valorem Tax
3. Action: Authorize Mayor to Sign Tax Levy
4. Action: Resolution 21-2019 – Hazard Mitigation Plan
5. Action: Pacific Engineering Professional Services Agreement Amendment #2
6. Action: Chelan County Code Amendment
7. Action: Waste Assessment Contract

Information Items for Future Consideration

Adjournment

(Next Ordinance is 1602 – Next Resolution is 22-2019)

SUPPLEMENTAL COUNCIL AGENDA

1. Ordinance 1600 – McDevitt Annexation

The City Council is being asked to conduct a public hearing for the requested annexation, pursuant to RCW 35A.14. The public hearing provides an opportunity for public comment prior to City Council action. The format for the hearing includes: an overview of the proposal presented by staff, public comment (for and against), City Council discussion, and if approved, action through adoption of an ordinance.

The property owner, McDevitt Land Company (Jordan and Olivia McDevitt), is requesting annexation for approximately 30 acres of land north of Pinegrass Street and east of Ski Hill Drive, within the Urban Growth Area, identified as Lots A, C, D, E, and F of BLA 2018-164, and identified with parcel numbers 241701320060, 241701320064, 241701320062, 241701320050, and 241701320063.

On August 27, 2019, during the City Council’s regular meeting, the Council considered Jordan McDevitt’s letter of intent for annexation. The Council agreed to consider the annexation under the following specific assumptions:

- 1) Consider the acceptance for annexation from the McDevitt Land Co. (Jordan McDevitt, Managing Member and Olivia McDevitt, Member) of five properties located east of Ski Hill Drive, known as Lots A, C, D, E, and F of BLA 2018-164, and identified with parcel numbers 241701320060, 241701320064, 241701320062, 241701320050, and 241701320063;
- 2) The annexed property will retain the existing zoning;
- 3) The City will require transfer of water rights, if any;
- 4) Annexation and development will require compliance with the easement agreement recorded under Auditor File Number 2182187; and,
- 5) The City will require the assumption of all or any portion of existing city indebtedness by the area to be annexed.

On August 29, 2019, the McDevitt Land Company signed a petition for annexation, stating the Council’s required assumptions. The request was forwarded to the Chelan County Assessor’s office for determination of sufficiency, which was granted on September 18, 2019. Notice of the annexation was posted at the property and City Hall boards on September 27, 2019.

The purpose of annexation is to encourage urban development, with greater residential densities, using City services for water and sewer, which reduces sprawl development. The area may be served by City water and sewer based on the adopted plans. The proposed annexation is consistent with the Growth Management Act and with City plans for future growth and development.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	

<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	✓
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

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

- Ordinance 1600, with Exhibit A, Legal Description, Exhibit B, Map, Exhibit C, Zoning
- Determination of Sufficiency
- Petition for Annexation
- Notice of Intention

- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance No. 1600 Annexation of five properties owned by McDevitt Land Company located north of Pinegrass Street and east of Ski Hill Drive, identified as Lots A, C, D, E, and F of BLA 2018-164, and identified with parcel numbers 241701320060, 241701320064, 241701320062, 241701320050, and 241701320063.*

2. Ordinance 1601 – Adopting Ad Valorem Tax

The City Council is being asked to consider options for Ordinance 1601, which is the authorization of the property tax levy for the 2020 tax year. This ordinance will include increase estimates of \$10,902.58 for new construction, \$15,171.40 for new annexations, and \$1,757.80 for refunded revenue by the Assessor’s office. The total maximum preliminary property tax allowed is \$630,851.25.

Several options are available for the 2020 tax collection:

- The first option, referred to as Option A below, would be to approve the annual property tax collection with the 1% increase allowable limit per State law, which leaves approximately \$25,530 in banked capacity for future requests. As noted in the public hearing presentation at the October 22 Council meeting, this increase would cover approximately \$33,550 of the \$45,244 increase in public safety services; this total includes the 1% increase, new construction, annexation, and refunded revenues. This option creates an additional shortfall of approximately \$11,700 in public safety services for 2020, and will likely grow in disparity over time. Current costs for public safety contracts total \$730,507 while current property taxes are \$571,771, which is a shortfall of \$158,736 that is covered by retail taxes, utility B&O taxes, and other General Fund revenues.
- The second option, referred to as Option B below, is to approve the tax from last year with an increase of 5.46518% and captures all of the remaining banked capacity for a total collection of \$59,080; this total includes the 5.46518% increase, new construction, annexation, and refunded revenues. This option will cover the \$45,244 increase from the public safety contracts, creates a slight increase for 2020 of \$13,836, and sets the course for balancing of property taxes versus public safety contract increases over the short-term. Staff recommends this option for the following reasons:

- Capturing remaining banked capacity allows the City to take advantage of the full 1% increase each year and the corresponding compounding of annual increases over time.
 - Eliminating banked capacity signifies a lack of ability to capture additional revenues to offset requests during negotiations for ever-increasing contract costs, particularly for public safety related contracts.
 - Some State agencies require \$0.00 banked capacity to allow for low interest loans/grants; the City will be seeking additional loan/grant dollars within the next biennium as projects are identified for the Water Plant and transmission line replacement.
- A third option, referred to as Option C in the motion below, is to consider no increase in property taxes or to set a specific increase of either a dollar amount or percentage. If the Council prefers setting a specific increase, staff recommends identifying the increase based on the dollar amount so the percentage would then be calculated prior to submission to the Assessor’s Office.

The Council may choose to adopt any variation of the tax; however, the Ordinance will need to be transmitted to the Assessor’s Office no later than November 30, 2019.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

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

- Ordinance 1601 – Examples Prepared for Options A & B
- City of Leavenworth Regular Tax Levy Preliminary Values for the 2020 Tax Year
- Presentation Slides from October 22, 2019 Public Hearing on Ad Valorem Taxes
- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1601 Option ___ with the Ad Valorem Tax increase of \$_____.*

3. 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 \$20,000 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; this also ensures that any banked capacity does not continue to grow. Depending on the

Council’s decision for action item #2, Options A, B, or C will need to be identified for this action item.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

The following item is included under **TAB 3:**

- Department of Revenue Levy Certification– Examples Prepared for Options A & B
- **MOTION:** *The Leavenworth City Council moves to authorize the Mayor to sign Option ____ for the Tax Levy Certificate.*

4. Resolution 21-2019 – Hazard Mitigation Plan

The City Council is being asked to approve the Chelan County Multi-jurisdictional Hazard Mitigation Plan (CCHMP), which includes the City of Leavenworth annex – hazard mitigation plan for the City. In the summer of 2018, Chelan County and the Cities of Cashmere, Chelan, Entiat, Leavenworth, Wenatchee, and nine Districts (Fire and conservation) pooled resources and began to draft a uniform hazard mitigation plan to meet the federal mandates in the Disaster Mitigation Act of 2000. This work was completed the summer of 2019 and sent to the Washington Emergency Management Division (EMD) and then to the Federal Emergency Management Agency (FEMA) for review. Both agencies have now approved the plan as ready for local adoption.

The adoption of the CCHMP is a benefit both before and after disasters and will benefit the City’s efforts to build resiliency and protect residents from natural disasters. The resolution includes the modification of action item L-5 in Volume II of the CCHMP to read as “Coordinate with Washington State Department of Transportation and other agencies to designate alternate evacuation routes, including but not limited to connections between Titus Road and Chumstick Hwy.” The underlined text was requested to be added to the draft in July but did not show as changed in the current version. Through the adoption of this resolution, the text would be modified.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

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

- Electronic Copy of the CCHMP is available at: <https://cityofleavenworth.com/city-government/development-services-department/community-planning-documents/>
 - Resolution 21-2019
 - Fact Sheet provided by Perteeet
- **MOTION:** *The Leavenworth City Council moves to approve Resolution 21-2019, adopting the Chelan County Hazard Mitigation Plan.*

5. Pacific Engineering Professional Services Agreement Amendment #2

The City Council is being asked to approve an amendment to the Professional Services Agreement (PSA) for Pacific Engineering in relation to On-Call services for engineering and design related services as well as final inspection service costs for the Pine Street Construction Project. The City Council reviewed and approved the necessary budget amendment for a majority of the costs below at the October 8, 2019 Council meeting; therefore, no further budget amendments are needed.

On-Call Services

The City annually contracts with Pacific Engineering for On-Call services related to engineering, inspections, and plan reviews for the Public Works and Development Services Departments. These services are provided throughout the year and are billed based on hourly services rendered. The invoices for these services are not pass-thru related costs for developers but rather services requested by the City for the City when staff needs additional assistance. Unusual events occurred this year for these types of services that generated a significant increase to this portion of the contract. These events include the following:

- Adventure Park Appeal Hearing/Witness Presentation - \$12,620.54
- Weidner Apts. Appeal - \$8,173
- Pine Street Phase 2 Grant Application Assistance - \$6,348.50
- City Code Updates (currently underway) – estimate of \$7,500
 - Total of above services = \$34,642.04

In addition to the costs above, the City has expended approximately \$6,100 of the annual contract amount of \$15,000. Total costs to date through October for all of the above listed On-Call services is \$33,262.72; with the anticipated City Code Update costs and potential other small project costs still to come by year-end, the staff is recommending a total contract allowance of \$45,000, which is an increase of \$30,000 from the original contract.

Pine Street Construction Project

The City Council is being asked to approve the Pine Street Construction Administration Costs based on the final total to date of \$39,114.37. Minor final costs may occur for regulatory reporting to the Washington State Department of Transportation for project closeout; therefore, staff is requesting a total amount of \$40,000; this is an increase of \$15,872 from the original contract of \$24,128 (Included within Contract Amendment #1). Original project administration (inspection)

costs were included through TD&H Engineering at a cost of \$78,415. This cost was much higher than the contract cost with Pacific Engineering, mainly due to increased costs of having a daily inspector on-site. The City’s costs would have been significantly higher with TD&H, as the firm is located out of Spokane and would have included higher travel costs, housing, and meal reimbursements. With the increase in the Pacific Engineering contract, the City is still saving approximately \$39,301 or 50% of the original estimate from TD&H Engineering.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

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

- PSA – Amendment #2
- PSA – Original Agreement
- PSA – Amendment #1

- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the Pacific Engineering Professional Services Agreement Amendment #2.*

6. Chelan County Code Amendment

This time is provided to discuss and consider for approval the submission of an application to Chelan County requesting amendment to the Icicle Valley Design Review Overlay District to permit high and low utilities such as the existing Water Treatment Plant. The City Water Treatment Plant is located at 7201 Icicle Road, approximately four miles outside of the City limits, within the County’s Icicle Design Review Overlay District (IVDRO).

The Water Treatment Plant was constructed in 1971 prior to the IVDRO code adoption in 1983. The IVDRO has very limited permitted and conditional uses, with all other uses being prohibited. Unfortunately, the existing Water Treatment Plant is not listed; therefore, the current facility is considered nonconforming. As a nonconforming structure, it is not permitted to be expanded but may be remodeled, altered, or repaired.

The 2018 Water System Plan identified required improvements that may result in expanding the existing facility. In order for the City to consider all design and upgrade considerations to the Water Treatment Plant, the use needs to be either permitted or conditionally permitted in the IVDRO code. City staff is recommending that the City request a code amendment from Chelan County to resolve this issue.

The fees for the application are \$1,165. If the County determines that the amendment is not SEPA exempt, an additional fee of \$215 would be required with a SEPA checklist.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	✓
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	✓

The following item is included under **TAB 6:**

- Draft Application Narrative
 - **MOTION:** *The Leavenworth City Council moves to authorize submitting an application to Chelan County requesting amendment to the Icicle Valley Design Review Overlay District permitted uses.*

7. Waste Assessment Contract

The City Council is being asked to review and consider for approval a Professional Services Contract with Green Solutions for a Solid Waste, Recycling, and Organics Waste Assessment Study for the Commercial Sector. A solid waste assessment provides a snapshot of what and how much is being discarded, as well as how it is being disposed. This information should provide the basis for planning waste reduction programs, improving waste management practices, and managing waste disposal operations and contracts.

In August of this year, the City Council authorized the publishing of a Request for Proposal for a Solid Waste, Recycling, and Organics Waste Assessment Study for the Commercial Sector. The City received two proposals for completing the assessment, one from Impact Bioenergy and the other from Green Solutions. Council Members Neighbors and Lundgren, Public Works Director Herb Amick, Chelan County Solid Waste Coordinator Brenda Blanchfield, and Waste Loop Executive Director Ariana Jones evaluated the initial proposals. After the initial evaluation, interviews were conducted with the two proposers, Green Solutions and Impact Bioenergy, Inc.

The proposed cost of the assessment is \$35,250 from Green Solutions. The proposal for Impact Bioenergy was \$23,700. The Committee scored the proposal provided by Green Solutions as more complete, and the assessment and process more robust and clearly presented. Green Solutions has completed a number of the solid waste assessments, is very well known, and has an excellent reputation in working with other public agencies on these types of projects. Green Solutions is proposing to sort 12 – 15 samples on two different days along with dumpster inspections and checking on cardboard contamination. Impact Bioenergy would sample four waste generators. The committee recognizes that the more robust assessment will provide the City with more statistically relevant data that can be used by the City and waste generators moving forward. Impact Bioenergy is a firm that has met with the City in the past in regard to the processing of organic material/food

waste within the waste stream. They have several successful projects that have been implemented to process various portions of the waste stream to produce methane, fertilizer, and electricity. Green Solutions is a company that focuses on working with public agencies to conduct waste assessments and provide recommendations on the implementation of waste reduction programs. The committee is recommending contracting with Green Solutions for the completion of the assessment.

Funding for the assessment could be provided from three sources: The Garbage Fund, General Fund, and Lodging Tax Fund. The Garbage Fund revenue is generated by the commercial rate payers of the City and would be a likely source of funding. The General Fund could be used, as sales tax revenues is primarily generated by visitors, which the waste assessment study seeks to address. A percentage could also be funded through the Lodging Tax fund as this project does seek to address and mitigate a tourism driven issue.

COUNCIL GOALS

<i>Revenue & Fiscal Health</i>	Is the request/action (Ordinance/Resolution) consistent with the Financial Policy?	✓
<i>Infrastructure</i>	Does the request/action support a safe and efficient infrastructure?	
<i>Economic Development Growth and Vitality</i>	Is the request/action supportive of the Old-World Bavarian Theme or promote the diversification of the economic base?	
<i>Transparency and Accountability</i>	Does the request/action further public understanding and engagement?	✓
<i>Community Building</i>	Is the request/action supporting residential needs for housing, safety, transportation, affordable governmental services?	

The following item is included under **TAB 7:**

- Exhibit A: Scope of Services for the Commercial Waste Assessment, Green Solutions
 - **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the Professional Services Agreement with Green Solutions for the completion of a Solid Waste Assessment of the Commercial solid waste generators for a not to exceed cost of \$35,250.*