



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

Carl J. Florea - *Mayor*
Carolyn Wilson
Sharon Waters
Clint Strand
Jason Lundgren
Anne Hessburg - *Mayor Pro Tem*
Zeke Reister
Marco Aurilio

PLEASE TAKE NOTICE – RETURN TO IN PERSON MEETINGS

In consideration of the current COVID-19 pandemic restrictions being lifted in Washington State, the City Council will be returning to in person meetings beginning in April. At this time, we will continue to offer the zoom option for attendees that are not able to attend in person. We encourage all City Council and Staff to plan to attend in person, if possible. Staff will ensure hosting of the zoom 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. At this time, we continue to hold shorter scheduled meetings for Committee meetings and will provide updates as changes occur. We look forward to seeing you in person.

MEETING LINKS VIA ZOOM CONFERENCING

April 12, 2022 Pacific Time (US and Canada)

Morning Study Session Begins at 8:30 AM

Join Zoom Meeting

<https://us02web.zoom.us/j/86717747503?pwd=V09XWm9pMU9ncGZ3bkIUK2hvOERTdz09>

Meeting ID: 867 1774 7503

Passcode: 525450

Afternoon Committee Meetings Begins at 3:45 PM

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.

<https://us02web.zoom.us/j/86805620192?pwd=eWdXTXh6UFpBM2I3YWZ3ZjNROHJYZz09>

Meeting ID: 868 0562 0192

Passcode: 642183

Regular Evening Meeting Begins at 6:30 PM

Join Zoom Meeting

<https://us02web.zoom.us/j/81318440288?pwd=OVRqVkNyMFVESHJIT3Nqb0RML2xZdz09>

Meeting ID: 813 1844 0288

Passcode: 592342

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/u/kcHVerbEUs>

LEAVENWORTH CITY COUNCIL AGENDA
Leavenworth City Hall – Council Chambers
April 12, 2022 – 6:30 PM

Call to Order
Roll Call

Council Committees – 2nd Tuesday

Economic Development 3:45 PM
Parks 4:30 PM
Public Works 5:15 PM

Consent Agenda

1. Approval of Agenda
2. Approval of March 22, 2022 Regular Meeting Minutes
3. March 2022 Payroll \$293,304.50
4. 2022 Claims \$221,258.20
5. Set Public Hearing for Six-Year Transportation Improvement Plan – 5/10/22 @ 6:30 PM
6. Contract Authorization to Sign - Space Needs Assessment
7. Contract Authorization to Sign - Residential Alley Study
8. Subscription Agreement – Short Term Rental Monitoring & Notices
9. Confirmation of Mayoral Appointments to the Leavenworth Area Promotions Ad Hoc Committee
10. Confirm Mayoral Appointment of Erika Szuster to Design Review Board Position #4; Kevin Rieke to DRB Position #6; and Moving Mary Kornienko Morse to DRB Position #6 Alternative

Presentation by Chief Adam Musgrove on Bomb Threat Incident
Comments from the Public on Items Not on the Agenda

Resolutions, Ordinances, Orders, and Other Business

11. Action: Ordinance 1653 – Workforce Housing Grant Loan Program
12. Action: Ordinance 1652 – Quarterly Budget Amendment
13. Action: Resolution 4-2022 – Rate & Fee Schedule Update (*Tabled from March 22, 2022*)
14. Action: Street Closure Options
15. Action: Authorization to Purchase / Surplus Equipment
16. Action: Supplemental Agreement No. 1 to Developer Extension Agreement

Councilmember and Committee Reports
Mayor / Administration Reports

Information Items & Future Considerations

17. Economic Development Committee Agenda Items
18. Parks Committee Agenda Items
19. Public Works Committee Agenda Items
20. Development Services March Report & February Planning Commission Minutes
21. Reminder – Public Disclosure Commission Filing Deadline April 15

Adjournment

(Next Ordinance is 1654 – Next Resolution is 5-2022)

CONSENT AGENDA ITEMS / REPORTS / PUBLIC HEARING

1. City Council Meeting Agenda:

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

2. Regular Meeting Minutes – 3/22/2022:

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

3. March 2022 Payroll:

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

4. 2022 Claims:

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

5. Set Public Hearing for Six-Year Transportation Improvement Plan – 5/10/22 @ 6:30 PM

There are no items included under **TAB 5**.

6. Contract Authorization to Sign - Space Needs Assessment

The City Council is being asked to authorize the Mayor to sign a contract for a Space Needs Assessment with ARC. The City issued a request for proposals in November with responses due in December. The original review dates were extended due to the snow storm. The top three firms were interviewed and selection was finalized in February. This assessment will review facilities assessment, consider space needs (programming), develop concept level site/floor diagrams, and cost estimates for (3) different planning scenarios specific to the City Hall & Public Works functions. The work is expected to be done in August at a cost of \$30,000.

This item is included under **TAB 6**.

7. Contract Authorization to Sign - Residential Alley Study

The City Council is being asked to authorize the Mayor to sign a contract for Residential Alley Planning with RH2 Engineering. The request for proposals was issued in January with review of submittals and selection in March. This work will expand the inventory of the City's alleys to include existing condition/surfacing and current usage; development of planning level estimates for improvements and maintenance costs for different types of uses; make recommendations on alley uses; and, developing the vision and goals for the alleys moving forward. This project is expected to end before December 31, 2022 at a cost of \$40,000.

This item is included under **TAB 7**.

8. Subscription Agreement – Short Term Rental Monitoring & Notices

The City Council is being informed of a subscription agreement for monitoring of short-term rentals within the City’s residential zoning district with Carahsoft Technology Corporation (Granicus) in the amount of \$4,998 per year, starting now, with a two-year extension. The service includes compliance monitoring, address identification, and a 24/7 Hotline. The current hotline would be replaced and the contract for that portion of service, with Pacific Security, would be amended.

This work is necessary to address existing and seasonal short-term rentals which limit housing options for residents. Currently, the City receives a few complaints per year; however, data indicates that we have several operating throughout the city in violation of the zoning. This contract will provide us verification of violations (screenshots of various website hosting companies), send a notice letter to the property (after city verification) and provide a 24/7 hotline number. If the violation is not resolved by the notice letter, the City will follow up with the formal violation/fine process.

This item is included under **TAB 8**.

9. Confirmation of Mayoral Appointments to the Leavenworth Area Promotions Ad Hoc Committee

The City Council is being asked to confirm Mayor Florea’s appointments to the Leavenworth Area Promotions (LAP) Ad Hoc Committee. There was a recent change in Committee membership and the current LAP Membership Policy stipulates that all LAP Committee members be proposed for approval and confirmed by the City Council. Chris Johns, a current Leavenworth Chamber of Commerce Board member has replaced Rebecca Ryker who recently stepped down after serving for several years on LAP. The table below lists the current committee membership:

Leavenworth Area Promotions (LAP): 3rd Tuesday each month at 8:30 – 10:00 AM		
City Council Representatives: Sharon Waters Zeke Reister Christie Voos – <i>Mayor Designee</i>	Chamber Representatives: Chris Johns – <i>Post Hotel</i> Rusty Gibbs – <i>Gibbs Graphics</i> Gavin Evans – <i>Stein</i>	Leavenworth Lodging Assoc Reps: Jesse Boyd – <i>Bavarian Lodge</i> Martin Szuster – <i>Hotel Pension Anna</i> Brad Schmidt – <i>Mount. Home Lodge</i>

The following items are included under **TAB 9**:

- Letter – Leavenworth Chamber of Commerce dated 3/22/2022
- 2022 Leavenworth City Council Ad Hoc Committee Membership List

10. Confirm Mayoral Appointment of Erika Szuster to Design Review Board Position #4; Kevin Rieke to DRB Position #5; and Moving Mary Kornienko Morseto to DRB Position # 6 Alternative

The Design Review Board recently posted an open position #3 which was filled in January. With the recent resignation of Ken Kohnhorst from the Design Review Board, position #4 was open. Additionally, due to a lack of attendance, position #6 is best filled with a new member. The Mayor received and met two qualified applicants, Erika Szuster and Kevin Rieke. Finally, due to a change in work schedule, Mary Kornienko Morse has graciously chosen to be the Design Review Board Alternate.

The Mayor requests City Council confirmation of his appointment of Erika Szuster to Design Review Board position #4; Kevin Rieke to DRB position #5; and moving Mary Kornienko Morseto to DRB position # 6 Alternative. The Leavenworth Municipal Code (LMC) requires that all Design Review Board members are appointed by the Mayor with confirmation by the City Council.

Erika Szuster started visiting Leavenworth in 2004. Her husband and her bought a home here in 2014 and then purchased the Hotel Pension Anna in 2018. That same year, they visited Bavaria and Austria. They are looking forward to more trips as they strive to retain the authentic Bavarian hotel theme. Erika has a structural and architectural background before shifting to the hospitality industry.

Kevin Rieke is a long-time resident and local business owner in Leavenworth. He has traveled to Germany and Austria several times and has enjoyed learning about the Bavarian design elements through his own building renovations, signage, murals and living here. He has been an active member of the Downtown Steering Committee. His formal training was in education which will support DRB meeting and decision process.

There are no items included under **TAB 10**.

SUPPLEMENTAL COUNCIL AGENDA

11. Ordinance 1653 - Workforce Housing Grant Loan Program

The City Council is being asked to adopt Ordinance 1653 Workforce Housing Grant Loan Program. This program will provide the framework for pending and future Workforce housing projects.

The following item is included under **TAB 11, also see TAB F Study Session:**

- Ordinance 1653, Workforce Housing Grant Loan Program
 - *The Leavenworth City Council moves to adopt Ordinance 1653 Workforce Housing Grant Loan Program.*

12. Ordinance 1652 – Quarterly Budget Amendment

The City Council is being asked to adopt Ordinance 1652 Quarterly Budget Amendment, which amends the budget at the fund level. A majority of this amendment includes the necessary adjustments to the beginning and ending fund balances; the Council will find other amendments based on Council actions or necessary corrections to the 2022 budget that have either been carried over from the 2021 budget or require amendment due to changes not foreseen in the development of the original budget in 2020. Due to the magnitude of increases in various revenue streams, some funds include recognition of the estimated actual increases for 2022 based on 2021 final actuals.

In addition, salaries/wages and benefits have been amended to include the ramifications of the Union Contract settlement that were finalized in December 2021 after the last City Council meeting. You may recall in the fall budget presentation for capacity building that the anticipated

total adjustments for capacity building plus union negotiations in 2022 was estimated to be between \$800,000 and \$900,000; the total now finalized is \$814,827.

The following item is included under **TAB 12:**

- Ordinance 1652
 - *The Leavenworth City Council moves to adopt Ordinance 1652 Quarterly Budget Amendment.*

13. Resolution 4-2022 – Rate & Fee Schedule Update (Tabled from March 22, 2022)

The City Council reviewed and tabled Resolution 4-2022 Rate & Fee Schedule at the March 22, 2022 meeting which includes the addition of Festhalle rates for 2023 with no changes from the 2022 rates, removal of Festhalle rates for 2020-2021, and the new fee for the Street Right-of-Way rate.

The City Council at the November and December 2021 Study Sessions reviewed fees for the Street Right-of-Way ranging from \$6 a square foot (estimated parking revenue) to \$2 a square foot. The fee will apply to closed and open streets. Concerns related to the cost for businesses to maintain a space, particularly year-around, were discussed at the March 8th Council meeting. Gavin Evans has provided a breakdown of business costs, attached, and is requesting the fee be \$1 per square foot.

After a review of increased workload over the last year and parking revenue impacts are estimated as:

- Public Works extra yearly cost estimated at \$5,680
- Development Services extra yearly cost estimated at \$2,080
- Admin extra yearly cost estimated at \$4,056
- Assume each permit uses two spaces, lost parking revenue from ten active parking spaces (five permits) on Commercial is estimated at \$40,800. If estimating lost parking from twenty active parking spaces (10 permits), lost parking revenue is \$81,600
- Total cost \$52,616 - \$93,416

For this spring/summer the City has received seven requests for special use permits and three inquiries. Assuming ten permits, fees collected would be:

- \$2.00 fee would be \$82,080 annual collection
- \$1.50 fee would be \$61,560 annual collection
- \$1.00 fee would be \$41,040 annual collection

The \$2 fee would provide a general lease of land rate of .50 cents and \$1.50 to cover estimated costs and lost parking revenue, assuming 20 parking spaces.

This fee will go into effect at the conclusion of the emergency proclamation on April 15, 2022.

The following items are included under **TAB 13:**

- Communication with Gavin Evans
- Resolution 4-2022 – Pages with Redline Changes Only

- *The Leavenworth City Council moves to approve Resolution 4-2022 amending the Rate & Fee Schedule for Festhalle and Street Right-of-Way.*

14. Street Closure Options

The City Council reviewed options for street closures during the Study Session. This time is provided to take action on which, if any, streets are closed during the Closure Study estimated to be completed by December 31, 2022, as outlined in the Study Session materials.



There are no items included under **TAB 14**.

- *The Leavenworth City Council moves to close public right-of-way pursuant to RCW 47.48 until December 31, 2022 for the:*
 - 600-700 blocks of Front Street & north half of 8th Street between Front and Commercial.*
 - 800 block of Front Street.*
 - 900 block of Front Street.*

15. Authorization to Purchase / Surplus Equipment

The City Council is being asked to authorize the purchase of a 2022 Exmark Zturf 30” Stand On Aerator from Jennings Equipment, Inc. in the amount of \$11,584.85 (including retail sales tax of 8.5%). The 2022 Equipment Rental & Revolving (ER&R) capital expenditure fund includes a budget of \$9,365.00 for the purchase of a new aerator and requires an increase of approximately \$2,220.00. This proposed purchase through Jennings Equipment, Inc. was procured through the WA State Department of Enterprise Services State Contract, known as the “State Bid List.” Therefore, competitive bidding requirements have been met. This purchase, if approved, will replace a 2015 Exmark 30” Stand On Aerator. This piece of equipment is used by the Parks Division in the spring and fall to aerate turf, which mitigates compaction of the soil and contributes to a healthy root system.

The City will attempt to surplus the 2015 Aerator on the Public Surplus website once the new 2022 Aerator has been received.

The following item is included under **TAB 15:**

- Quote – Jennings Equipment, Inc.
 - **MOTION 1:** *The Leavenworth City Council moves to approve the purchase of a 2022 Exmark Zturf 30” Stand On Aerator from Jennings Equipment, Inc. in the amount of \$11,584.85 including retail sales tax of 8.5%.*
 - **MOTION 2:** *The Leavenworth City Council moves to authorize the surplus of the 2015 Exmark 30” Stand On Aerator (Serial Number 315617058).*

16. Supplemental Agreement No. 1 to Developer Extension Agreement

The City Council is being asked to approve and authorize the Mayor to sign Supplemental Agreement No. 1 associated with the October 29, 2021 Developer Extension Agreement between the City of Leavenworth and Prusik Investments, LLC.

The City Council approved the original Developer Extension Agreement (DEA) at the October 12, 2021 City Council meeting. The DEA is for Pete Olson of Prusik Investments, LLC to develop two lots located at the 130 block of Stafford Street. Due to insufficient water availability along the Stafford Street corridor, staff recommended the DEA, which allowed a partnership between the City and Mr. Olson to replace an existing insufficient water main with an eight (8) inch ductile iron water main. The DEA obligates City funding resulting from Mr. Olson providing redundant water capacity. Since the original DEA has been in place, construction costs for labor and materials have increased significantly. Mr. Olson’s current construction bids he is currently receiving have increased approximately 40% over project estimates from October 2021. Due to the increase in construction costs, Mr. Olson has requested that the City increase its monetary contribution by \$15,000, which would amend the not to exceed contribution by the City from \$38,000 to \$53,000.

The following item is included under **TAB 16:**

- Supplemental Agreement No. 1 to Developer Extension Agreement – Prusik Investments, LLC
 - **MOTION:** *The City Council moves to approve and authorizes the Mayor to sign Supplement Agreement No. 1 associated with the October 29, 2021 Developer Extension Agreement with Prusik Investments, LLC for the Stafford Street Water Main Extension Project.*

COMMITTEES, INFORMATIONAL & FUTURE CONSIDERATION ITEMS

17. Economic Development Committee Agenda Items

This item is included under **TAB 17.**

18. Parks Committee Agenda Items

This item is included under **TAB 18.**

19. Public Works Committee Agenda Items

This item is included under **TAB 19.**

20. Development Services March Report and February Planning Commission Minutes

These items are included under **TAB 20.**

21. Reminder – Public Disclosure Commission Filing Deadline April 15

Who Is Exempt From Reporting?

The following people do not need to file the personal financial affairs statement, PDC form F-1.

- Candidates and elected officials in jurisdictions that had fewer than 2,000 registered voters at the time of the last general election, unless
 - a "petition for disclosure" has been filed with PDC or the jurisdiction has passed a local ordinance requiring disclosure (Skykomish School District is one such exception), or
 - a candidate receives or expects to receive contributions of \$5,000 or more in the aggregate.

- City of Leavenworth November 2, 2021 Election included 1,004 ballots cast of 1,747 Registered Voters.

There are no items included under **TAB 21.**