

**LEAVENWORTH CITY COUNCIL  
Study Session Agenda  
City Hall – Council Chambers & Zoom  
April 9, 2024 5:30 – 6:50 PM**

**5:30-5:40    Chamber Report**

This time is provided for a Chamber of Commerce representative to provide an update to the City Council on items of interest to the Chamber and City.

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

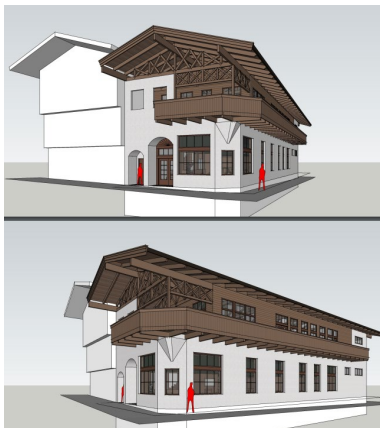
**5:40-6:05    Review of Uses over Right-of-Way**

This time is provided for the Council to review uses above the public right-of-way. In 2021/22 the City Council established a process for addressing encroachments into the public right-of-way by establishing a yearly lease agreement. The discussion and agreements reflect non-occupied structures over the public right-of-way, such as roofs, not items such as balconies. The agreement is intended to ensure up-to-date insurance coverage from the benefited business property owner.

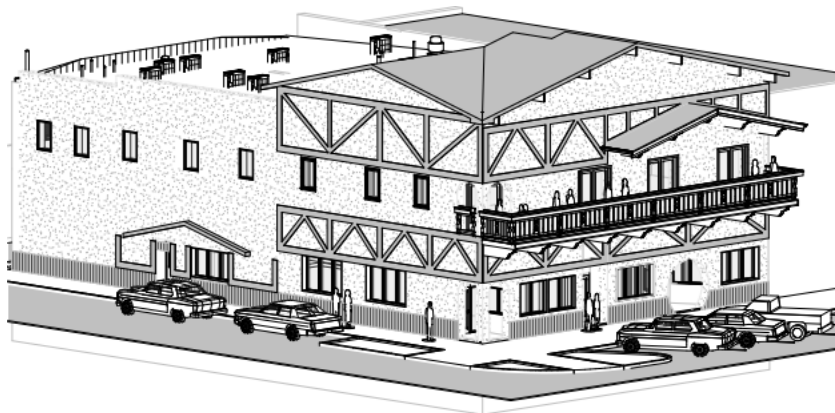
At this time, we have requests for balconies which would be used as restaurant/bar space and used for dwellings (unclear if short-term rental or long-term rental). The liability for a balcony restaurant/bar is higher due to the activities – food and beverage service with multiple patrons, and a potential for dropping food/beverages.

There has also been a question of the revenue generated by the business from this public air space and whether it would require a use fee, similar to the sidewalk and street special use permits. There are a couple of questions staff is seeking guidance on: Does the Council want this type of construction within the public air space? If so, can it be used without a fee?

An alternative option is to recess the balcony so that the seating is flush with the building. In this scenario, spacing between windows or the amount of open window area would be regulated by the building regulations.



Baren Haus Proposal



The Loft Proposal (also requesting balcony over alley)

The following items are included under **TAB C**.

- **Three Eaves, LLC 833 Front Street**
- **Nason Creek, LLC Agreement 813 Front Street**

**6:05-6:20     2024 Quarterly Project Update / Future Agenda Items**

This time is provided to review the 2024 Project tracking document and the Future Council Agenda Items document. The Project Tracker provides the Council with quarterly updates on the work and status of a number of Council Priorities or required projects/tasks that need to be completed by the City. It is not a comprehensive list; the project tracker does not include the daily tasks required to provide services and maintain service levels to residents, businesses, or visitors, but provides a good review of the work being completed by the City.

The following items are included under **TAB D**.

- 2024 Quarterly Project Update Tracker
- 2024 Draft Agenda

**6:20-6:30     Rate & Fee Schedule**

The City Council is being presented with rates for the new 96-Gallon Bear-Resistant tote containers as they have been distributed out to some commercial accounts through a pilot program for replacement of accounts that previously utilized 300-Gallon containers. At this time, we have continued to bill those customers with the 300-Gallon rates until this fee schedule could be amended. The new rates are currently being included for the case where a customer is going from a 300-Gallon can to the 96-Gallon Bear-resistant totes only. A future rate will need to be created in the case of an account that has requested going from a 64-Gallon or 96-Gallon to a 96-Gallon Bear-resistant tote that will be more equitable to the existing 96-Gallon rate.

In looking at the suggested rates, you will notice that these rates are less than the standard 96-Gallon rate at this time as we are attempting to create a similar rate for the 300-Gallon conversion that in most cases created a loss in capacity for those customers. For example, a business that had the 300-Gallon can pick-up one time per week would pay \$100.86 plus a monthly rental fee of \$35 for a total rate of \$135.86 per month. Due to space issues at most locations, we were only able to add two 96-Gallon containers – a loss of 108 gallons of capacity for the customer and in turn has required pick-up twice per week. If the rate was the same as a normal 96-Gallon container their new monthly bill would be \$199.59 per month if they had 3 containers at one pick-up per week or it increases to \$266.12 per month if they have just the 2 containers being picked up twice per week each. This is significantly higher than the 300-Gallon rate of just \$135.86 per month with one weekly pick-up.

With the new reduced rate of \$46 plus the rental fee of \$7 the customer will pay \$53 per month per can for 1 pick-up per week; if they have 2 cans the total bill will be \$108 per month; a slight savings from the previous 300-Gallon rate. If the customer has to have 2 pick-ups per week the rate would be \$198 per month, which is an increase over the 300-Gallon by \$62.14; however, they are gaining 84 (96x4-300) gallons of capacity for the increased rate.

In addition to the rates above, staff are also looking at implementing a rate for the new Bigbelly trash cans that will be proposed at the next meeting. Parking rates are also being discussed at the committee level on April 18<sup>th</sup> and staff anticipates having direction on those for the April 23<sup>rd</sup> meeting for adoption; all rates will be effective as of May 1<sup>st</sup>.

The following items are included under **TAB E**.

- Rate & Fee Schedule Draft Changes (Garbage Only At This Time)

**6:30-6:40     Resolution XX-2024 – Financial Policy Update**

The Finance Committee met on March 21<sup>st</sup> and reviewed the attached redline suggestions for changes proposed by Finance Director Steiner. In addition, you will find a few items that are highlighted yellow for discussion and recommendation by the full Council prior to adoption scheduled for April 23, 2024. Director Steiner will review the highlighted recommendations and is seeking any further recommended changes.

The following items are included under **TAB F**.

- Financial Policy Redlines

**6:40-6:50     Council Updates/Suggestions for Future Agenda Items**

The following item is included under **TAB G**.

- Future Study Session Topics

**After Recording Return to:**  
CITY OF LEAVENWORTH  
700 US Hwy 2  
LEAVENWORTH, WA

**CITY OF LEAVENWORTH RIGHT OF WAY USE AGREEMENT**

**Grantor:** CITY OF LEAVENWORTH  
700 US Hwy 2/PO Box 287  
Leavenworth, WA 98826

**Grantee:** Three Eaves, LLC  
PO Box 656  
Leavenworth, WA 98826

**Legal Description:** LEAVENWORTH BLOCK 3 LOT 4  
**Physical Address:** 833 Front Street, Leavenworth, WA  
**Tax Parcel:** 241712662185

WHEREAS, Three Eaves LLC a Washington corporation ("Owner"), is the owner of the following-described real estate situated in the City of Leavenworth, Chelan County, Washington:

Lot 4, Block 3, Town of Leavenworth, Chelan County, Washington, according to the plat thereof recorded in Volume 1 of Plats, Page 30.

WHEREAS, Owner and the City of Leavenworth ("City") have engaged in negotiations regarding City granting permission to Owner to place a new heat pump on a new balcony and to retain, operate and maintain existing improvements, over certain alley right-of-way of the City; and

WHEREAS, Owner and the City desire to enter into an agreement authorizing and allowing Owner to use certain portions of the alley right of way in the City for Owner's improvements subject to certain conditions and restrictions;

NOW THEREFORE, Owner and the City agree as follows:

**A.** Owner is authorized to use that certain City right of way as specified in the Legal Description attached hereto as **ATTACHMENT A** and incorporated herein by this reference, for the purpose of placing a heat pump on an existing balcony and retaining, and maintaining "improvements and facilities"; and as described in **ATTACHMENT B**, provided that Owner shall first obtain all necessary permits and authorizations required by the City, to make changes to the same as required by this agreement and thereafter to be maintained by the Owner. Owner's occupancy of the right of way is subject to the General Conditions set out in subparagraph **E** below.

Any required permits shall be issued subject to the provisions of the Leavenworth Municipal Code and the General Conditions set forth in subparagraph **E** of this Agreement. Nothing provided herein shall in any way limit the City's authority to otherwise exercise its police powers.

**B.** The initial term of this Agreement is twenty-five (25) years from the effective date of this Agreement. The term of this Agreement shall automatically renew for three (3) five-year renewal periods. Additional five-year renewal periods shall be subject to negotiation between the parties. The initial term and any renewal are subject to termination as provided elsewhere in this Agreement.

**C.** If at any time the public's safety is impaired by the condition of Owner's improvements, such as a material structural failure, failure of snow, ice or rain mitigation devices, or existence of other fall hazard, City may close access to the improvements. In addition, if after a minimum notice of ninety (90) days to cure and a failure to cure the condition impairing public safety, then City may terminate this Agreement on thirty (30) days' notice to Owner. In addition, if Owner shall fail to maintain insurance under General Condition **Section 5**, City may terminate this Agreement on thirty (30) days' notice to Owner. If at any time Owner shall cease use of the improvements for twelve (12) months, this Agreement shall terminate automatically.

**D.** In the event of termination of this Agreement, the City may require the Owner to remove its improvements and facilities within a reasonable time period as specified by the City.

**E.** The General Conditions referenced in subparagraphs **A** and **C** are as follows:

**Section 1. Permits and Authorizations.** Owner shall apply for and obtain all necessary permits and authorizations prior to making structural upgrades to the improvements described in **ATTACHMENT B** in that certain right of way specified in **ATTACHMENT A** referenced in subparagraph **A** above.

**Section 2. Construction and Maintenance of Improvements.** All structural upgrades and other improvements shall be constructed in accordance with all applicable Leavenworth Municipal Code and the requirements of this Agreement. Construction details are described in **ATTACHMENT B** and are subject to the ongoing approval of the City and must be completed within one (1) year from the effective date of this Agreement. All facilities shall be maintained within the right of way described in **ATTACHMENT A**, so as to provide safe access for the general public. No permit condition shall conflict with or waive any requirement of the Leavenworth Municipal Code for the construction as described in **ATTACHMENT B**.

**Section 3. Repairs.** If the City requires repairs to be made to the improvements, Owner shall make such repairs in a timely manner at no cost to the City.

Owner shall have the right to propose alternatives to such repairs and to make any arrangements it may deem appropriate to accomplish such repairs or such alternatives that may be approved by the City.

In the event Owner fails to make such repairs in a timely manner, City, after prior written notice to Owner, may make the repairs, in which event Owner shall reimburse City for all of City's costs and expenses incurred in making the repairs. The period for such notice shall be thirty (30)

days, or such lesser period as may be necessary in the event the condition to be remedied presents a hazard to the public. If Owner fails to reimburse the City additional charges per the adopted fee schedule shall apply and shall constitute a lien against Owner's property described above, which lien may be enforced in the manner for enforcement of other real property liens, including foreclosure. If litigation is required to collect the delinquent invoice amount, or to foreclose the lien, the Owner shall be liable for all costs, disbursements and reasonable attorney's fees incurred therein.

**Section 4. Hold Harmless and Indemnity.**

4.1 Owner shall indemnify, save harmless and defend the City, its elected and appointed officials, employees, and agents (including reimbursing the City for all costs and attorneys' fees) from any and all damages, claims, or demands, of any kind, on account of injury to or death of any and all persons, caused by Owner or its use of the right of way. Owner shall further indemnify, save harmless and defend the City, as provided above, from all property damage of any kind, whether tangible or intangible, including loss of use resulting from such damage, that occurs in connection with any work performed by Owner or caused, in whole or in part, by the presence of Owner or its officials, employees, agents, contractors, subcontractors, or their property upon or in proximity to City right of way. Such indemnification will not extend to damages, claims, or demands that are caused by the sole negligence or intentional misconduct of the City, its employees, agents or contractors.

4.2 Owner agrees that its obligations under this section extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, Owner, by mutual negotiation, hereby waives, as respects the City only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW. In the event the City incurs any judgment, award, and/or cost arising therefrom including attorneys' fees to enforce the provisions of this article, all such fees, expenses, and costs shall be recoverable from Owner.

**Section 5. Insurance.** Owner shall maintain in full force and effect throughout the term of this Agreement the following:

5.1 Commercial General Liability Insurance with limits of no less than \$1,000,000 for each occurrence, \$2,000,000 general aggregate, a \$2,000,000 products-completed operations aggregate limit and a \$1,000,000 excess liability or umbrella insurance.

5.2 The City shall be named as an additional insured on any policy for the purposes of any actions performed under this Agreement using ISO Additional Insured- State or Political Subdivisions-Permits CG 20 13 or a substitute endorsement providing at least as broad coverage. Owner shall provide City with such proof of insurance.

5.3 For purposes of this Agreement, Owner's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Owner's insurance and shall not contribute with it.

5.4 The insurance policy shall be endorsed to state that coverage shall not be canceled or amended by either party, except after 30 days' advance written notice by certified mail, return

receipt requested, to the City. The Owner shall provide the City with written notice of any policy cancellation, within two business days of their receipt of such notice.

5.5 Insurance is to be placed with insurers with a current A.M. Best rating if not less than A:VII.

**Section 6. Civil Penalties and Additional Relief.**

6.1 The Owner, and the officers, directors, and employees of the Owner or any agent, subcontractor or other person acting on behalf of the Owner failing to comply with any of the provisions of this Agreement shall be subject to a civil penalty in the manner and to the extent provided for in Leavenworth municipal code.

6.2 In addition to any penalty which may be imposed by the City, any person violating or failing to comply with any of the provisions of this Agreement shall be liable for any and all damage to City property or right of way arising from such violation, including the cost of restoring the affected area to its condition prior to the violation.

6.3 Notwithstanding any other provision herein, the City may seek legal or equitable relief to enjoin any acts or practices and abate any condition which constitutes or will constitute a violation of the applicable provisions of this Agreement when civil or criminal penalties are inadequate to effect compliance. In addition to the penalties set forth in this section, violation of any provision of this Agreement may also result in the revocation of any right of way use agreement, right of way use permit, facilities lease, or other authorization.

6.4 Nothing in this Section shall be construed as limiting any remedies that the City may have, at law or in equity, for enforcement of this Agreement.

**Section 7. Police Powers.** Nothing contained herein shall be deemed to affect the City's authority to exercise its police powers. Owner shall not by this agreement obtain any vested rights to use any portion of the City right of way except for the locations approved by the City and then only subject to the terms and conditions of this Agreement. This Agreement and the permits and authorizations issued thereunder shall be governed by applicable City ordinances in effect at the time of application for such permits and authorizations.

**Section 8. No Alterations to Facilities or Change in Use.** Owner shall not make any alterations to the facilities without first obtaining the consent of the City and obtaining any required permits or authorizations.

**F. Modifications of Terms and Conditions.** The City and Owner hereby reserve the right to alter, amend or modify the terms and conditions of this Agreement and any permit issued thereunder upon written agreement by both parties to such alteration, amendment or modification.

**G. In the event of Abandonment.** If Owner ceases to use the improvements as provided in paragraph C above or otherwise abandons (or destruction of improvements by natural or manmade cause) its use of the right of way or Owner's improvements located thereon, this agreement shall be terminated. If this Agreement is terminated as a result of the premises being abandoned, and/or if Owner fails to remove such Owner's facilities from the right of way upon notice from the City, the City may remove such facilities, and Owner shall be responsible for reimbursing the City for the

City's cost of removal. Notwithstanding any other provision of this Agreement, the City may permit Owner to abandon such facilities in place. The provisions of this Section shall survive the expiration, revocation or termination of this Agreement.

**H. Severability.** If any term, provision, condition, or portion of this Agreement shall be held to be invalid or unconstitutional for any reason, the portion declared invalid shall be severable and the remaining portions of this Agreement shall be enforceable unless to do so would be inequitable or would result in a material change in the rights and obligations of the parties hereunder.

**I. Transferability.** The rights and privileges granted to Owner as provided in this Agreement may be assigned or transferred to another person or entity. City shall receive 60 days advance written notice of said transfer, and before said transfer shall be effective, insurance as specified in General Condition **Section 5** shall be provided to the City. Upon the transfer or assignment becoming effective, all rights and obligations set out in this Agreement shall inure to and be the obligation of the transferee or assignee. If Owner transfers or assigns this agreement without notice to City and insurance being in place, Owner shall remain liable for all Owner's obligations hereunder. These provisions shall be applicable to each subsequent transfer or assignment, and failure to enforce this provision on a transfer or assignment shall not render it void on subsequent transfers or assignments.

**J. Effective Date.** This Agreement shall take effect upon execution by both parties to this Agreement.

**K. Miscellaneous.**

**Section 1.** This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this Agreement must be in writing and executed by both parties.

**Section 2.** If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

**Section 3.** This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.

**Section 4.** This Agreement shall be governed by the laws of the State of Washington.

**Section 5.** In any case where the approval or consent of one party hereto is required, requested or otherwise to be given under this Agreement, such party shall not unreasonably delay or withhold its approval or consent.

**Section 6.** All Attachments annexed hereto form material parts of this Agreement.

**Section 7.** This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.



IN WITNESS WHEREOF, the parties have executed this Agreement

CITY OF LEAVENWORTH,  
A Washington municipal corporation

Owner

By: \_\_\_\_\_

\_\_\_\_\_

Carl Florea, Mayor

Gavin Evans

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_  
Thom Graafstra, City Attorney

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF CHELAN )

I certify that I know or have satisfactory evidence that JAMES CURTIS HAIRE III and KAREN E. HAIRE are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
(Legibly print name of notary)  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF CHELAN )

I certify that I know or have satisfactory evidence that JAMES CURTIS HAIRE III and KAREN E. HAIRE are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
(Legibly print name of notary)  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

expires \_\_\_\_\_

## **ATTACHMENT A**

### **DESCRIPTION OF RIGHT OF WAY SUBJECT TO THIS AGREEMENT**

That portion of the alley between Front Street and Commercial, west of 9<sup>th</sup> and east of 8<sup>th</sup>, Leavenworth, Washington, described as follows:

That area of land under the existing roof overhang, approximately six feet south of 833 Front Street, Parcel Number: 241712662185; abbreviated legal description: Leavenworth Block 3 Lot 4.

Use of said right of way is to accommodate existing development, including roof overhang, balconies, planter boxes, awning and a new balcony with heat pump, and all related infrastructure. All development over the alley right-of-way fits under the existing roof overhang, estimated to be 8' by 30'.

**ATTACHMENT B**  
**DESCRIPTION AND DEPICTION OF USE/IMPROVEMENTS**

Use of said alley right of way is to accommodate the existing development, including, but not limited to, roof overhang, balconies, planter boxes, awning and a new balcony with heat pump, and all related infrastructure. All development over the alley right-of-way fits under the existing roof overhang, estimated to be 8' by 30'.

**After Recording Return to:**

CITY OF LEAVENWORTH  
LEAVENWORTH, WA

**CITY OF LEAVENWORTH  
RIGHT OF WAY USE AGREEMENT**

**Grantor:** CITY OF LEAVENWORTH

**Grantee:** Nason Creek LLC

**Legal Description:** LEAVENWORTH BLOCK 3 LOT 9 & W5' LOT 8

**Tax Parcel:** 241712662207

WHEREAS, Nason Creek LLC a Washington corporation ("Owner"), is the owner of the following-described real estate situated in the City of Leavenworth, Chelan County, Washington:

Lot 9 and the W 5' of Lot 8 Block 3, Leavenworth  
SITUATE in the City of Leavenworth, County of Chelan, State of  
Washington.

WHEREAS, Owner and the City of Leavenworth ("City") have engaged in negotiations regarding City granting permission to Owner to retain, operate and maintain an eave overhang and related improvements in certain right-of-way of the City, and

WHEREAS, Owner and the City desire to enter into an agreement authorizing and allowing Owner to use certain portions of the right of way in the City for Owner's improvements subject to certain conditions and restrictions;

NOW THEREFORE, Owner and the City agree as follows:

**A.** Owner is authorized to use that certain City right of way as specified in the Legal Description attached hereto as **ATTACHMENT A** and incorporated herein by this reference, for the purpose of placing, retaining, upgrading and maintaining an eave overhang and associated facilities ("improvements and facilities"), and as

described in **ATTACHMENT B**, provided that Owner shall first obtain all necessary permits and authorizations required by the City, to make changes to the same as required by this agreement and thereafter to be maintained by the Owner. Owner's occupancy of the right of way is subject to the General Conditions set out in subparagraph **E** below.

Any required permits shall be issued subject to the provisions of the Leavenworth Municipal Code and the General Conditions set forth in subparagraph **E** of this Agreement. Nothing provided herein shall in any way limit the City's authority to otherwise exercise its police powers.

**B.** The initial term of this Agreement is twenty-five (25) years from the effective date of this Agreement. The term of this Agreement shall automatically renew for three (3) five-year renewal periods. Additional five-year renewal periods shall be subject to negotiation between the parties. The initial term and any renewal are subject to termination as provided elsewhere in this Agreement.

**C.** If at any time the public's safety is impaired by the condition of Owner's improvements, such as a material structural failure, failure of snow, ice or rain mitigation devices, or existence of other fall hazard, City may close access to the improvements. In addition, if after a minimum notice of ninety (90) days to cure and a failure to cure the condition impairing public safety, then City may terminate this Agreement on thirty (30) days' notice to Owner. In addition, if Owner shall fail to maintain insurance under General Condition **Section 5**, City may terminate this Agreement on thirty (30) days' notice to Owner. If at any time Owner shall cease use of the improvements for twelve (12) months, this Agreement shall terminate automatically.

**D.** In the event of termination of this Agreement, the City may require the Owner to remove its improvements and facilities within a reasonable time period as specified by the City.

**E.** The General Conditions referenced in subparagraphs **A** and **C** are as follows:

**Section 1. Permits and Authorizations.** Owner shall apply for and obtain all necessary permits and authorizations prior to making structural upgrades to the improvements described in **ATTACHMENT B** in that certain right of way specified in **ATTACHMENT A** referenced in subparagraph **A** above.

**Section 2. Construction and Maintenance of Improvements.** All structural upgrades and other improvements shall be constructed in accordance with all applicable Leavenworth Municipal Code and the requirements of this Agreement. Construction details are described in **ATTACHMENT B** and are subject to the ongoing approval of the City and must be completed within one (1) year from the effective date of this Agreement. All facilities shall be maintained within the right of way described in

**ATTACHMENT A**, so as to provide safe access for the general public. No permit condition shall conflict with or waive any requirement of the Leavenworth Municipal Code for the construction as described in **ATTACHMENT B**.

**Section 3. Repairs.** If the City requires repairs to be made to the improvements, Owner shall make such repairs in a timely manner at no cost to the City.

Owner shall have the right to propose alternatives to such repairs and to make any arrangements it may deem appropriate to accomplish such repairs or such alternatives that may be approved by the City.

In the event Owner fails to make such repairs in a timely manner, City, after prior written notice to Owner, may make the repairs, in which event Owner shall reimburse City for all of City's costs and expenses incurred in making the repairs. The period for such notice shall be thirty (30) days, or such lesser period as may be necessary in the event the condition to be remedied presents a hazard to the public. If Owner fails to reimburse the City additional charges per the adopted fee schedule shall apply and shall constitute a lien against Owner's property described above, which lien may be enforced in the manner for enforcement of other real property liens, including foreclosure. If litigation is required to collect the delinquent invoice amount, or to foreclose the lien, the Owner shall be liable for all costs, disbursements and reasonable attorney's fees incurred therein.

**Section 4. Hold Harmless and Indemnity.**

4.1 Owner shall indemnify, save harmless and defend the City, its elected and appointed officials, employees, and agents (including reimbursing the City for all costs and attorneys' fees) from any and all damages, claims, or demands, of any kind, on account of injury to or death of any and all persons, caused by Owner or its use of the right of way. Owner shall further indemnify, save harmless and defend the City, as provided above, from all property damage of any kind, whether tangible or intangible, including loss of use resulting from such damage, that occurs in connection with any work performed by Owner or caused, in whole or in part, by the presence of Owner or its officials, employees, agents, contractors, subcontractors, or their property upon or in proximity to City right of way. Such indemnification will not extend to damages, claims, or demands that are caused by the sole negligence or intentional misconduct of the City, its employees, agents or contractors.

4.2 Owner agrees that its obligations under this section extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, Owner, by mutual negotiation, hereby waives, as respects the City only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW. In the event the City incurs any judgment, award, and/or cost arising therefrom including attorneys' fees to enforce the

provisions of this article, all such fees, expenses, and costs shall be recoverable from Owner.

**Section 5. Insurance.** Owner shall maintain in full force and effect throughout the term of this Agreement the following:

5.1 Commercial General Liability Insurance with limits of no less than \$2,000,000 for each occurrence, \$2,000,000 general aggregate, and a \$2,000,000 products-completed operations aggregate limit.

5.2 The City shall be named as an additional insured on any policy for the purposes of any actions performed under this Agreement using ISO Additional Insured-State or Political Subdivisions-Permits CG 20 13 or a substitute endorsement providing at least as broad coverage. Owner shall provide City with such proof of insurance.

5.3 For purposes of this Agreement, Owner's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Owner's insurance and shall not contribute with it.

5.4 The insurance policy shall be endorsed to state that coverage shall not be canceled or amended by either party, except after 30 days' advance written notice by certified mail, return receipt requested, to the City. The Owner shall provide the City with written notice of any policy cancellation, within two business days of their receipt of such notice.

5.5 Insurance is to be placed with insurers with a current A.M. Best rating if not less than A:VII.

**Section 6. Civil Penalties and Additional Relief.**

6.1 The Owner, and the officers, directors, and employees of the Owner or any agent, subcontractor or other person acting on behalf of the Owner failing to comply with any of the provisions of this Agreement shall be subject to a civil penalty in the manner and to the extent provided for in Leavenworth municipal code.

6.2 In addition to any penalty which may be imposed by the City, any person violating or failing to comply with any of the provisions of this Agreement shall be liable for any and all damage to City property or right of way arising from such violation, including the cost of restoring the affected area to its condition prior to the violation.

6.3 Notwithstanding any other provision herein, the City may seek legal or equitable relief to enjoin any acts or practices and abate any condition which constitutes or will constitute a violation of the applicable provisions of this Agreement when civil



or criminal penalties are inadequate to effect compliance. In addition to the penalties set forth in this section, violation of any provision of this Agreement may also result in the revocation of any right of way use agreement, right of way use permit, facilities lease, or other authorization.

6.4 Nothing in this Section shall be construed as limiting any remedies that the City may have, at law or in equity, for enforcement of this Agreement.

**Section 7. Police Powers.** Nothing contained herein shall be deemed to affect the City's authority to exercise its police powers. Owner shall not by this agreement obtain any vested rights to use any portion of the City right of way except for the locations approved by the City and then only subject to the terms and conditions of this Agreement. This Agreement and the permits and authorizations issued thereunder shall be governed by applicable City ordinances in effect at the time of application for such permits and authorizations.

**Section 8. No Alterations to Facilities or Change in Use.** Owner shall not make any alterations to the facilities without first obtaining the consent of the City and obtaining any required permits or authorizations.

**F. Modifications of Terms and Conditions.** The City and Owner hereby reserve the right to alter, amend or modify the terms and conditions of this Agreement and any permit issued thereunder upon written agreement by both parties to such alteration, amendment or modification.

**F. In the event of Abandonment.** If Owner ceases to use the improvements as provided in paragraph C above or otherwise abandons (or destruction of improvements by natural or manmade cause) its use of the right of way or Owner's improvements located thereon, this agreement shall be terminated. If this Agreement is terminated as a result of the premises being abandoned, and/or if Owner fails to remove such Owner's facilities from the right of way upon notice from the City, the City may remove such facilities, and Owner shall be responsible for reimbursing the City for the City's cost of removal. Notwithstanding any other provision of this Agreement, the City may permit Owner to abandon such facilities in place. The provisions of this Section shall survive the expiration, revocation or termination of this Agreement.

**H. Severability.** If any term, provision, condition, or portion of this Agreement shall be held to be invalid or unconstitutional for any reason, the portion declared invalid shall be severable and the remaining portions of this Agreement shall be enforceable unless to do so would be inequitable or would result in a material change in the rights and obligations of the parties hereunder.

**I. Transferability.** The rights and privileges granted to Owner as provided in this Agreement may be assigned or transferred to another person or entity. City shall receive 60 days advance written notice of said transfer, and before said transfer shall be

effective, insurance as specified in General Condition **Section 5** shall be provided to the City. Upon the transfer or assignment becoming effective, all rights and obligations set out in this Agreement shall inure to and be the obligation of the transferee or assignee. If Owner transfers or assigns this agreement without notice to City and insurance being in place, Owner shall remain liable for all Owner's obligations hereunder. These provisions shall be applicable to each subsequent transfer or assignment, and failure to enforce this provision on a transfer or assignment shall not render it void on subsequent transfers or assignments.

**J. Effective Date.** This Agreement shall take effect upon execution by both parties to this Agreement.

**K. Miscellaneous.**

**Section 1.** This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this Agreement must be in writing and executed by both parties.

**Section 2.** If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

**Section 3.** This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.

**Section 4.** This Agreement shall be governed by the laws of the State of Washington.

**Section 5.** In any case where the approval or consent of one party hereto is required, requested or otherwise to be given under this Agreement, such party shall not unreasonably delay or withhold its approval or consent.

**Section 6.** All Attachments annexed hereto form material parts of this Agreement.

**Section 7.** This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.





**ATTACHMENT A**

**DESCRIPTION OF RIGHT OF WAY  
SUBJECT TO THIS AGREEMENT**

That portion of (STREET), Leavenworth, Washington, described as follows:

That area of land eight feet (8') north of 815 Front Street, Parcel Number: 241712662207; abbreviated legal description: Leavenworth Block 3 Lot 9 & W5' Lot 8, recorded under Chelan County Auditor's Number 2029.

Use of said right of way is to accommodate the addition of new gable roof on the existing building, which measures 8 feet deep and 30 feet long (240 square feet).

**ATTACHMENT B**  
**DESCRIPTION AND DEPICTION OF USE/IMPROVEMENTS**

Use of said right of way is to accommodate the addition of Bavarian Architectural feature – a gable roof, which measures 8 feet deep (over the right-of-way) and 30 feet long (full length of the building), covering a total of 240 square feet of public right-of-way.

Objective Description	Lead	Estimated Completion Date	% Completion				Comment (Updated Quarterly)
			Jan	Apr	July	Oct	
<b>Financial Policy Review</b>	CS	May 2024	0	0			This is an annual review process to be reviewed by the City Council starting with review in Study Session.
<b>City 2025 -2026 Biennial Budget &amp; PRSA Annual Budget</b>	CS/BM	Nov/Dec 2024	0	0			The City Budget is on a biennial basis; in 2024 the City will develop and adopt the 2025-2026 Budget. First steps begin with the Council retreat that is normally held between March and May each year and progresses with staff beginning in June. The Upper Valley Park & Recreation Service Area (PRSA) budget is adopted yearly by the PRSA Board and is incorporated as part of the City's biennial budget process for the City's Pool Fund. A detailed budget calendar will be available on the City's website by June 2024.
<b>City/PRSA Annual Reports - 2023</b>	CS/BM	May 29, 2024	0	0			These reports are required annually by the State, to be completed within 150 days in the year following the previous year. Council and Board members annually participate in the reviews and receive documents once completed for approval in June.
<b>Lodging Tax Annual Report - 2023</b>	CS	May 15, 2024	0	0			This report is required by the State to be completed annually by May 15th of each year.
<b>Grant Administration - Monthly</b>	CS	Dec 2024	0	0			Currently the finance department is assisting in administering the following 17 open grants/loans: USDA RD - (2 Fed Grants) for the WWTP, Pine Street Phase II (1-WVTC/DOT Local), Orchard Street (1-TIB), Ski Hill Sidewalks (1-TIB), A Place for Alice (TBD) (1-Fed), Water Conservation (4-CC/DOE State), WWTP Capacity (1-DOE), WWTP Facility/General Plan (1-DOE), Wells to Mill (1-PWB Loan), Generators (1-FEMA), Pine Street Emergency (1-PWB Loan), Red Town Paving (1-TIB), and Food Waste (1-USDA Fed). Staff continues to seek more grant funding for other future projects.

**Annual Objective and Project Tracker 2024**  
**April 9, 2024**

Objective Description	Lead	Estimated Completion Date	% Completion				Comment (Updated Quarterly)
			Jan	Apr	July	Oct	
<b>City Communications</b>	MS/KR	Weekly	0	0			Weekly social posts and emails outlining the weeks ahead will continue to out on Sundays. Flyers were sent to targeted addresses for upcoming construction projects: Front Street Restroom & Stairway Expansion and Glacier Parking Lot (P6) Improvements. Postcards and emails notifications were sent to targeted recipients for upcoming street closure: Wastewater Collection System Improvements Phase 3 project. Conducted two surveys: 2024 Communications Survey and Osborn Playground Replacement.
<b>Wayfinding Signage</b>	KR/LV	2024	0	0			Pending the Downtown Master Plan for Front St., this project will likely begin in earnest in 2023. Because it extends outside of just the downtown (including landmark signage and parking wayfinding), this is listed as a standalone project with the expectation of working closely with the Downtown Master Plan and Parking, as well as outside agencies such as the Chamber of Commerce.
<b>Personnel</b>	MS	Ongoing	75	75			The Communications and Special Projects Manager, Water Plant Supervisor and Senior Planner positions have been filled. Vacancies include the Building Official and an AP/PRSA Clerk.
<b>2024 Docket Item #1</b>	LV	2024	50	90			Cottage Housing Options started review with the Planning Commission at the September meeting with a hearing in March; Council Hearing in April
<b>2024 Docket Item #2</b>	LV	2024	20	20			Inclusionary zoning options were reviewed by the City Council this spring. Concerns about its effectiveness were raised. Planning Commission will begin in the spring, depending on the 2024 docket priorities.



**Annual Objective and Project Tracker 2024**  
**April 9, 2024**

Objective Description	Lead	Estimated Completion Date	% Completion				Comment (Updated Quarterly)
			Jan	Apr	July	Oct	
<b>Stormwater Plan Update</b>	TW/LV	2024	0	0			Request for Proposals expected to be issued this winter or spring.
<b>Wastewater Treatment Plant: Construction</b>	TW	Winter/Spring 2023	99	99			In the project closeout phase. Still waiting on DOR, ESD, and LNI releases.
<b>Wastewater Collection System Improvements: Phase 3</b>	TW/AZ	Fall 2023	95	95			This project is nearing completion. Remaining work in the commercial area is anticipated to occur in the first quarter of 2024.
<b>Wastewater Collection System Video Inspections</b>	AZ	2024/2025	0	0			The wastewater collection system is recommended to be video inspected every 5-10 years. It was last completed in 2001. This project includes video inspecting priority sewer mains that are not included in the Wastewater Collection System Improvements: Phase 3 project. The majority of this work is anticipated to be completed as part of the Wastewater Facility & General Sewer Plan funded by the Department of Ecology.
<b>Wastewater Facility &amp; General Sewer Plan</b>	TW/AZ	2025	5	5			City staff was awarded a Department of Ecology loan in July 2023 for a combined wastewater facility plan and general sewer plan to address system capacity and future growth. An agreement with Ecology is currently being negotiated. City staff anticipates issuing a request for qualifications in the first quarter of 2023.
<b>Combined Sewer and Stormwater System Improvements</b>	AZ	2027	5	5			A Department of Ecology loan application was submitted in October 2022 for design and construction funding to separate the combined sewer and stormwater system along the greater Ski Hill corridor. City staff was notified that this project was not funded.  A direct appropriation request for the 2024 funding year was also submitted to Senator Maria Cantwell's office on March 9, 2023 for design and construction of this project. City staff has not received any notice to date on the funding status of this request.

**Annual Objective and Project Tracker 2024**  
**April 9, 2024**

Objective Description	Lead	Estimated Completion Date	% Completion				Comment (Updated Quarterly)
			Jan	Apr	July	Oct	
<b>Water Transmission Main Replacement: Well Site to Mill St</b>	AZ	Design: 2024	10	10			A Public Works Trust Fund Loan was received from the Department of Commerce for the design of this project. RH2 Engineering was selected for this project and the design phase is currently underway.
<b>Water Flow Analysis &amp; Improvement Plan</b>	TW	2023	50	50			This project is on hold, waiting for the completion of the City's Water System Plan Update. This work is also tied to the Water Treatment Plant alternatives analysis. Flow testing has been completed and a draft technical memo has been reviewed by staff. Gray and Osborne presented water flow analysis finding to City Council.
<b>WTP Intake Safety Improvements</b>	AZ	Phase 1: 2023 Phase 2: 2024	50	50			This project increases water treatment plant operator safety in accessing the WTP intake structure and screens. Phase 1 is composed of a fall protection system and was completed in late 2023. Phase 2 consists of constructing a ladder/stairway system to access the surface water intake. Due to permitting requirements, this portion of the project is anticipated to take place in 2024/2025.
<b>Security Fencing: Well Field and Decant Pond</b>	AZ	2024	25	25			Install security fencing around the Well Field and the water treatment plant's Decant Pond. The purpose is to provide a barrier to prevent unauthorized access to the City's water supply and to prevent any accidental injury at the Decant Pond.

**Annual Objective and Project Tracker 2024**  
**April 9, 2024**

Objective Description	Lead	Estimated Completion Date	% Completion				Comment (Updated Quarterly)
			Jan	Apr	July	Oct	
<b>Well Pump No. 3 Improvements</b>	AZ	2024	0	0			This project provides for the rehabilitation of Well Pump No. 3 to increase the capacity and useful life of the pump; this is anticipated completion in 2024.
<b>Water System Plan Update</b>	TW	2023	85	85			Gray & Osborne is underway with the Water System Plan update. Water model has been complete. Staff is awaiting draft chapter submittals to review.
<b>Parking Improvements</b>	MS/SL	Ongoing	75	75			Staff is in the process of replacing the meters on Commercial and 9 <sup>th</sup> Streets with kiosks. Rick Williams consulting continues working on the update to the parking management plan.
<b>Glacier, Aasgard &amp; Blewett Lot Improvements</b>	AZ	2023	50	50			Gray & Osborne is underway with the design of the Glacier (previously WSDOT) Parking lot, including a restroom facility. Construction has been pushed to Spring 2024 in order to get better bid prices and to ensure the parking lot is paved prior to snowfall.
<b>Christmastown: Village of Lights Public Safety Review</b>	TW	Ongoing	5	5			The 2023 contract is complete. Planning for the 2024 event will begin in the fall of 2024. Meetings will resume with all local public safety agencies. Updated cost estimate has been received for traffic control services.
<b>Review Solid Waste Collection and Recycling Operations</b>	TW/MS	2025	15	15			A Waste Stream Assessment was completed in fall 2022. A Composting and Food Waste Reduction (CFWR) Pilot grant was awarded to the City. Waste Loop will be doing education and outreach on food waste reduction and Winton will be increasing their commercial composting through this program. Winton has expressed interest in offering curbside pickup of yard and food waste, which will be discussed with City Council early in 2024.

**Annual Objective and Project Tracker 2024**  
**April 9, 2024**

Objective Description	Lead	Estimated Completion Date	% Completion				Comment (Updated Quarterly)
			Jan	Apr	July	Oct	
<b>Utility Rate Study</b>	TW/CS	Fall 2024	30	30			This study will recommend utility rate and system development charge adjustments to become effective at the beginning of 2025. The RFP for this study was conducted with Council awarding the contract in October 2023 with a planned completion date of fall 2024. Utility Data has been provided and additional data is being prepared.
<b>Central Avenue Sidewalk Rehabilitation</b>	TW/AZ	2025	5	5			A TIB grant totaling \$75,000 was received to fund a small portion of the proposed sidewalk improvements on Orchard. The state Transportation Improvement Board (TIB) recommended and approved this funding to be reallocated to improving the existing sidewalk on Central Avenue between Evans Street and Birch Street.
<b>Orchard Street Improvements - Full Reconstruction</b>	TW/AZ	2025	5	5			This project includes the full reconstruction of Orchard Street from Evans Street to Pine Street. City staff applied for TIB funding for the full reconstruction; in 2022 the TIB funding list was published and this project was not included.  A state legislative funding request was submitted in February 2023 for design and construction of this project. Staff has not been notified of the funding decision for this project.
<b>Waterfront Park: Parking Lot Improvements</b>	AZ/SL	2025	0	0			This project primarily includes paving and striping the Waterfront Park parking lot. It is anticipated to be completed by the City's on-call transportation engineering firm. An RFQ for the on-call transportation engineering firm is anticipated to be published in early 2024.

**Annual Objective and Project Tracker 2024**  
**April 9, 2024**

Objective Description	Lead	Estimated Completion Date	% Completion				Comment (Updated Quarterly)
			Jan	Apr	July	Oct	
<b>Street Extension from Titus to Chumstick Hwy.</b>	TW	TBD	10	10			This project will be in conjunction with the development of the former Meadowlark property. Design and funding programs need to be developed. City staff will begin conversations with developer and Chelan County on future road construction project. If development of this property is pursued by the developer, the developer will construct a street off Chumstick Highway. The goal of this project is to connect the proposed developer's roadway through to Titus Road. We have received a preliminary design of the Titus/Chumstick connector.
<b>Icicle Road Roundabout</b>	TW/AZ	2024	95	95			This LINK-funded roundabout at the intersection of US 2 and Icicle Road is fully constructed with the exception of permanent illumination.
<b>Lions Park Pavilion/Gazebo Replacement</b>	TW	TBD	20	20			This project is on hold awaiting the outcome of the PRSA pool covering feasibility analysis. Conceptual Design is at approximately 90%. Funding of \$300K is currently in the GF 2023 Budget. Demolition work was completed in November 2021. Replacement will now be explored with final design anticipated for 2024 and construction in 2025. Next step is to select an architect to finalize design documents.
<b>Front Street Redesign Planning</b>	LV/MS	2025	75	75			MxM completed the Closure Plan February 2023 with several recommendations. This plan replaces the previous Downtown Master Plan. The Downtown Steering Committee is reviewing each recommendation before considering soliciting a design plan consultant. A draft RFPQ will be reviewed with the Committee in January.

**Annual Objective and Project Tracker 2024**  
**April 9, 2024**

Objective Description	Lead	Estimated Completion Date	% Completion				Comment (Updated Quarterly)
			Jan	Apr	July	Oct	
<b>Front Street Park Restroom &amp; Stairway Expansion</b>	AZ	Design: 2024 Construction: 2025	40	40			ARC Architects is underway with the design of this project, which will expand the women’s restroom, reconstruct the existing stairway, and construct a covered shelter above the restroom. Bid documents are anticipated to be completed in the first quarter 2024.
<b>Osborn School Property Redevelopment</b>	MS	2023	10	10			<p>The idea of moving the library to a partially demolished and renovated Osborn School was presented at the August 24 Block Party and to the City Council at the September 26 study session. The concept was presented again at the November 1 Community Engagement Night. An RFQ was issued in December for a consultant to work with the City to progress the project. Commerce has announced a \$2m Library Improvement Grant program with a deadline of April 5.</p> <p>The playground equipment was evaluated by a certified playground safety inspector in April 2023 and found to be in unsafe condition. A neighborhood playground advisory group is meeting biweekly to plan for playground renovation with poured rubberized surface and inclusive playground equipment. This project will be funded mostly by grants.</p>
<b>Water Source Replacement Feasibility Study and Drought Mitigation/Conservation Plan</b>	TW	2024	30	30			RH2 Engineering was selected in March 2023 for consulting services to conduct the water source replacement feasibility study and develop the drought mitigation/conservation plan. A kickoff meeting has been held with RH2 and City staff. The study is anticipated to be completed by the end of 2024. RH2 has completed preliminary test well site scoping. Next steps include identifying willing property owners to allow the construction of a test well. In addition, RH2 has completed a draft water right strategy technical memo. The Conservation and Drought Plan is still in progress.

**Annual Objective and Project Tracker 2024**  
**April 9, 2024**

Objective Description	Lead	Estimated Completion Date	% Completion				Comment (Updated Quarterly)
			Jan	Apr	July	Oct	
<b>Water System Generators</b>	TW/AZ	2024	5	5			Staff has applied for FEMA grant funding to install generator backup for water system infrastructure. A funding award letter was received in August 2023.
<b>Parking Study</b>	MS/SL		50	50			Rick Williams Consulting is in the middle of updating the 2018 parking study, incorporating a financial feasibility analysis for a parking structure.
<b>Wastewater Treatment Plant Capacity Analysis</b>	TW	2023	40	40			This work will be completed under Gray & Osborne’s on call engineering contract. A scope has been reviewed by City staff and will be presented at the first Council meeting in April. Since the Wastewater Treatment Plant Improvement project was substantially completed in 2021, a capacity analysis has not been performed. The purpose of this analysis is to better understand the capacity of the wastewater treatment plant, determine the remaining capacity and plan/budget for future improvements as necessary. Gray and Osborne downloaded DMR data and is analyzing individual plant component capacities. A draft capacity analysis was submitted to staff in September 2023. Staff reviewed and commenting on the September 2023 draft are waiting for a re-submittal.
<b>Water Treatment Plant PLC Upgrade</b>	TW	2023	99	99			The water treatment plant’s main programmable logic controller (PLC) was identified by staff as requiring an immediate upgrade. Hardware arrived and staff is waiting for SCADA programmer and electrical contractor to install hardware. Installation has been completed and are awaiting acceptance.

**Annual Objective and Project Tracker 2024**  
**April 9, 2024**

Objective Description	Lead	Estimated Completion Date	% Completion				Comment (Updated Quarterly)
			Jan	Apr	July	Oct	
<b>Ski Hill Drive Active Transportation Improvements Phase 2</b>	AZ	2026	0	0			Construct sidewalks on the west side of Ski Hill Drive between Evans Street and Pine Street. Replace parking on the west side of Ski Hill Drive with a buffered bicycle lane. A request for qualifications for design consultants is anticipated to be issued in mid-2024. Due to an anticipated right-of-way acquisition phase, construction is anticipated to occur in 2026.
<b>Curb Ramp Improvements</b>	AZ	2024	0	0			Replace non-ADA compliant pedestrian curb ramps throughout the City.
<b>2024 Street Maintenance</b>	AZ	2024	0	0			Complete crack seal, asphalt pre-level, and pavement repair on streets throughout the City, as identified by the Transportation Improvement Board.
<b>2024 Scrub Seal</b>	AZ	2024	0	0			Complete scrub seal treatment on streets throughout the City, as identified by the Transportation Improvement Board.

Equipment Purchases:	Lead	Completion Date	2023 Recommended Equipment Purchases				
			Jan	Apr	July	Oct	
<b>2024 Mowers</b>	TW/CS	2024	0	0			This is the replacement of a 2017 Parks Mower as planned per the Equipment Replacement Schedule.
<b>2 new plow trucks, sweeper, and sewer vacuum truck</b>	TW/CS	2024	90	90			City Council authorized the purchase of two (2) snowplows, a new sweeper, and a new sewer vacuum truck. The (2) snowplows and the sewer vacuum truck have been ordered. The sweeper was received in 2023. Due to long procurement times, Public Works staff is expecting to take delivery of the remaining equipment in 2024. The State LOCAL Program was utilized for the funding of this debt instrument totaling \$1,565,750 over 10 years at a rate of 3.91%.



**Annual Objective and Project Tracker 2024**  
**April 9, 2024**

**LEGAL**

Objective Description	Lead	Comment
Water Rights Negotiations	MS	City Council approved a settlement agreement with the Department of Ecology in November 2023.
Water Rights Transfer Process	MS/TW	<p>City has had several landowners requesting the transfer of water rights (typically well water rights) to the City. Process needs to be explored and developed to acquire these rights. This topic should be included as an educational item.</p> <p>Icicle Work Group has dedicated \$500,000 in funding for a source replacement study. RH2 was selected as the most qualified applicant and the contract was approved by City Council in March 2023.</p> <p>Water rights acquisition is currently listed in the Legislative Agenda for the City for the next biennial.</p>

**OTHER**

Objective Description	<b>New Projects, Initiatives or Pending Projects</b> <b>The items listed below are items that are new for 2023 or on hold from previous years:</b>	
	Emergency Response Ordinance	MS
Icicle Work Group	CF	The Icicle Work Group is made up of various stakeholders with interests in the stream flow and water rights associated with Icicle Creek. The City Council by resolution (RES #3 – 2019) supported moving forward with Preferred Alternative #1, the base package of projects. Lobbying for additional funding and data collection continue to be the priority items for the group. Nearly 60% of the City Water Meter Project is being funded by the IWG with remaining funding coming from the Federal WaterSMART Grant. Work is in progress. Work is well under way on Water Conservations and the Fish Screen Project has been completed. Icicle Work Group agreed to fund \$500,000 for water rights and \$50,000 for drought and conservation plan.

## ITEMS NOT SCHEDULED AT THIS TIME:

### Study Session Topics:

- Fire Retrofit Program Revamp – Lilith/Selby
- Noise Ordinance Update (Later Start for Construction on Holidays/Nuisance Noise vs. Decibel Measurement) – Lilith/Selby
- City Readiness for Wildfire (Response to Commissioner Frank’s Comments)
- 300 gal Bearproof Tote Purchase

### Council Meetings:

- Elected Officials Training – Ongoing
- Resolution XX-2024 – Golf Course Final Reserve Funding Release – \$50,000 (moving all reserved funds to a capital line item for demolition use in 2024 GF Budget) – Chantell
- Acceptance & Authorization: Bill of Sale for Final Improvements to Zelt Strasse – Lilith
- Action: 3rd to 8th Sidewalk Safety Improvements Bid Award – Andi
- Action: Cemetery Improvements Bid Award – Andi
- Action: Professional Services Agreement – TBD – Update Stormwater Plan - Andi
- Action: Glacier Parking Lot Design Bid Award – Andi
- Action: Professional Services Agreement – Supplemental No. 3 – Glacier Parking Lot Services During Construction – Andi
- Action: Professional Services Agreement – TBD – Waterfront Park Parking Lot Improvements – Andi
- Action: Security Fencing: Well Field and Decant Pond – Andi
- Action: Professional Services Agreement – TBD – Gazebo Basement Improvements - Andi
- Action: Icicle Train Station Heated Platform Improvements Bid Award – Andi
- Action: TIB Fuel Tax Agreement for the 2024 Scrub Seal Project – Andi
- Hearing: Cemetery Code Update on February 27, 2024 @ 7:00 PM – Tom/Lilith
- Hearing: Sidewalk Snow Removal on February 27, 2024 @ 7:00 PM – Tom/Lilith
- Action: Ordinance XXXX Cemetery Code Update – Tom/Lilith
- Action: Ordinance XXXX Sidewalk Snow Removal – Tom/Lilith
- Hearing: Code Consistency Update – Lilith
- Ordinance XXXX Code Consistency Updates – Lilith

---

January 9, 2024 - (Packet Materials Due on December 29<sup>th</sup>)

### 5:30 Study Session: (80 Minutes)

- Chamber Report
- Mayor and Mayor Pro Tempore Committee Assignments and Council Policy, Procedures, and Rules of Conduct – Carl/Selby
- Capital Improvement Project Review – Lilith/Andi/Tom

- Vacation Request – Church of Nazarene – Lilith/Tom
- ~~2024 Project Tracker / 2024 Future Council Agenda Items – All Staff~~
- Council Updates/Suggestions for Future Agenda Items
  - Confirm a Council Retreat Date Preference (Location determined at Icicle Village) – Selby

7:00 PM Council Meeting:

- Consent Agenda: Mayoral Appointment to the Housing Advisory Committee
- Consent Agenda: Mayoral Re-appointment for Todd Smith – DRB Position No. 2 – Expires 6/2027
- Consent Agenda: Street Sweeping Material Hauling Project Acceptance – Andi
- Consent Agenda: 2022-2023 On-Call Snow Removal Project Acceptance – Andi
- Consent Agenda: TIB Ski Hill Drive Sidewalk Improvements Project Acceptance – Andi
- Consent Agenda: City Hall Exterior Painting Project Acceptance – Andi
- Consent Agenda: 2023 Asphalt, Concrete and Paver Patching Small Works Project Acceptance – Andi
- Presentation: Dept. of Commerce – City Receiving the Governor’s Smart Communities Award
- Public Hearing: Amending Comprehensive Plan’s Capital Improvement Plan on January 9, 2024 @ 7:00 PM
- Action: Ordinance 1687 – Amending Comprehensive Plan’s Capital Improvement Plan – Lilith
- Action: Motion to Elect Mayor Pro Tempore – Carl
- Action: TIB Fuel Tax Agreement for the Curb Ramp Improvements Project – Andi
- Action: TIB Fuel Tax Agreement for the 2024 Street Maintenance Project – Andi
- Info Items: December 2023 Public Works Department Report
- Info Items: November 2023 Public Safety Reports
- Reminder: Community Engagement Night on January 30, 2024 at the Festhalle from 5:00-8:00 PM

---

January 23, 2024 Council Meeting - (Packet Materials Due January 12<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- Social Media Policy and Leavenworth Courier Discussion – Kara/Selby
- 2024 Project Tracker Quarterly Project Update / 2024 Future Council Agenda Items – All Staff
- Front Street Snow Removal on Sidewalks – Tom
- Council Updates/Suggestions for Future Agenda Items

7:00 PM Council Meeting

- Consent Agenda: Set Public Hearing – Vacation of Right-of-Way Park Ave and Alley south of Park Ave, March 12, 2024 at 7:00 PM

- Presentation: Public Safety Report – Randy Lake of Chelan Co. Sheriff’s Office and Mike Smith of Chelan Co. Fire District #3
- December 2023 Public Safety Reports (Include with Cpl. Lake and Cap. Smith presentation tab)
- Joint Meeting with Planning Commission – Lilith
- Action: Acceptance of 2024 Planning Commission Docket – Lilith
- Action: Ordinance 1688 – Winter Parking Regulations Amendment
- Action: Resolution 01-2024 Council Rules – Selby
- Action: Mayor Committee Assignments – Carl
- Action: Mayor Pro Tempore Committee Assignments – Mayor Pro Tempore Hessburg
- Action: Approve Grant Agreement with the Dept. of Ecology – Selby
- Action: Professional Services Agreement – ARC Architects, Inc. for Osborn Partial Demo. And Reuse into a Library and Community Space
- Info Items: December 2023 Finance Report – To Be Provided – Chantell
- Info Items: December 2023 Planning Commission Minutes – Lilith
- Info Items: November/December 2023 Lodestar Monthly Report
- Reminder: Community Engagement Night on January 30, 2024 at the Festhalle from 5:00-8:00 PM
- Executive Session: RCW 42.30.110(1)(b) and (C) – Property Selection Site or Acquisition and Property Sale

---

February 13, 2024 - (Packet Materials Due February 2<sup>nd</sup>)

5:30 PM Study Session: (80 minutes)

- Chamber Report – Troy
- Chelan Co. PUD Bavarian Substation Water Connection Request – Tom
- Winton Manufacturing – Curbside Compost Pickup – Tom/Robbette
- Waste Loop – Recycling Center and Glass Recycling – Tom/Ariahna
- Annual Council Retreat Meeting Dates/Topics – Selby
- Council Updates / Suggestions for Future Agenda Items

7:00 PM Council Meeting:

- Resolution 02-2024 – Wastewater Treatment Plant Improvements Project Acceptance – Tom/Andi
- Action: Interlocal Agreement – Link Transit – Glacier Parking Lot: Driver Single Stall Restroom – Andi/Tom
- Bigbelly Service Agreement
- Discussion: Cemetery Code Updates – Lilith/Tom
- Discussion: Snow Removal on Sidewalks – Lilith/Tom
- Discussion: Code Consistency Updates – Lilith
- ~~Set Public Hearings –~~

- ~~Cemetery Code Updates on February 27, 2024 @ 7:00 PM~~
- ~~Snow Removal on Sidewalks Update on February 27, 2024 @ 7:00 PM~~
- ~~Code Consistency Update on March 26, 2024 on March 26, 2024~~
- Info Items: January 2024 Public Works Department Report
- Executive Session: RCW 42.30.110 (1)(i)(i) Threatened Litigation – 15 Minutes with no action

---

February 27, 2024 Council Meeting - (Packet Materials Due February 16<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- Designated Sign Area Discussion – Selby
- Using pre-approved ADU plans for single family residence use
- Osborn Playground Update
- Electronic Signatures Policy
- Council Updates / Suggestions for Future Agenda Items

Council Meeting:

- Consent Agenda – Changing Date of Public Hearings for Alley Vacation and Park Avenue Vacation Request from March 12, 2024 to April 23, 2024 @7:00 PM
- Presentation: Public Safety Report – Randy Lake of Chelan Co. Sheriff's Office and Mike Smith of Chelan Co. Fire District #3
- January 2024 Public Safety Reports (Include with Cpl. Lake and Cap. Smith presentation tab)
- Action: Pine Street – Titus to Fir Watermain Replacement Small Works Project Acceptance – Andi
- 2024 On Call Utility Repair Bid Award
- Action: Professional Services Agreement – 2024 Street Maintenance Project – Ardurra Group, Inc.
- Action: PSA – Supplement No. 1 – ARC Architects, Inc. for Osborn Partial Demo. and Reuse into a Library and Community Space
- Right of Way Use Agreement – Three Eaves, LLC
- Info Items: January 2024 Finance Report – Chantell
- Info Items: January 2024 Lodestar Monthly Report

---

March 12, 2024 - (Packet Materials Due March 1<sup>st</sup>)

5:30 PM Study Session: (80 Minutes)

- Chamber Report
- Code Consistency Discussion
- Cottage Housing Discussion
- Council Retreat Topics
- Council Updates / Suggestions for Future Agenda Items

Council Meeting:

- Presentation: Cascade Medical Center
- Action: Resolution 03-2024 Electronic Signatures Policy
- Action: Chelan County Natural Resources Department Interlocal Agreement - FEMA Generator Grant Agreement – Tom
- Info Items: February 2024 Public Works Report
- Info Items: Finance Committee Meeting on March 21, 2024 at 3:00 PM

---

March 26, 2024 - (Packet Materials Due March 15<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- Public Works Department Annual Report Presentation – Tom
- Communications Survey and Leavenworth Courier Discussion – Kara
- Flood Regulations Discussion – Lilith
- Council Updates / Suggestions for Future Agenda Items

Council Meeting:

- Presentation: Public Safety Report – Randy Lake of Chelan Co. Sheriff's Office and ~~Mike Smith of Chelan Co. Fire District #3~~
- February 2024 Public Safety Reports (Include with Cpl. Lake and Cap. Smith presentation tab)
- Presentation: Nick Covey, CEO Link Transit
- Presentation: James Pumphrey, Executive Director of Wenatchee Valley Humane Society
- Action: Resolution 04-2024 – To Set Public Hearing for Alley Vacation Request – Lilith
- Action: Resolution 05-2024 – To Set Public Hearing for Park Avenue Vacation Request – Lilith
- Action: Glacier Lot Improvements Project Bid Award – Andi
- Action: Supplemental Agreement No. 1 - Interlocal Agreement - Link Transit – Icicle Road Roundabout Watermain
- Action: Operation and Maintenance Agreement between WSDOT and the City associated with the Icicle Rd/US-2 Roundabout – Tom
- Action: Grant Agreement – US Department of Transportation Federal Highway Administration – Fiscal Year 2023 Safe Streets and Roads for all Grant – Safety Action Plan
- Action: Approve Purchase Proposal for a Mobile Office Structure for Public Works
- Action: Approve Purchase Proposal for a Fully Inclusive Osborn Playground
- Action: Local Agency Agreement – WSDOT – Ski Hill Drive Active Transportation Improvements Phase 2
- Info Items: February 2024 Finance Report – Chantell
- Info Items: January & February 2024 Planning Commission Minutes

- Info Items: February 2024 Lodestar Monthly Report

---

April 9, 2023 - (Packet Materials Due March 29<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- 10 min – Chamber Report
- 25 min – Review of uses over ROW (balconies) – Lilith, Tom W & Thom G
- 15 min – 2024 Quarterly Project Update / 2024 Future Council Agenda Items – All Staff
- 10 min – Resolution XX-2024 – Rate & Fee Schedule Draft – All Staff
- 10 min – Resolution XX-2024 – Financial Policy Update - Chantell
- 10 min – Council Updates / Suggestions for Future Agenda Items

Council Meeting:

- Consent Agenda: To Set Public Hearing on Cottage Housing for May 14, 2024 @ 7:00 PM
- Consent Agenda: Set Public Hearing on Flood Regulations for May 14, 2024 @ 7:00 PM
- Consent Agenda: Set Public Hearing on Six-Year Transportation Improvement Plan for May 28, 2024 @ 7:00 PM
- Consent Agenda: Set Public Hearing on Code Consistencies for May 28, 2024 @ 7:00 PM
- Action: Ordinance 1689 Quarterly Budget Amendment – Chantell
- Action: Front Street Restrooms Improvement Project Bid Award – Andi
- Action: Washington State Department of Ecology – Water Quality Combined Financial Assistance Agreement – Wastewater Facility and General Sewer Plan
- Action: 2024 Scrub Seal Bid Award
- Info Items: March 2024 Public Works Report – Tom
- Info Items: Finance Committee Meeting on April 18, 2024 at 3:00 PM – Chantell
- Reminder - Community Engagement Night on May 7, 2024 at the Festhalle from 4:00-7:00 PM

---

April 23, 2024 Council Meeting: - (Packet Materials Due April 12<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- 15 min – Designated Sign Discussion – Selby
- 15 min – Code Consistencies Refresher for Public Hearing on May 28, 2024 – Lilith
- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Action: Resolution XX-2024 – Rep. Mike Steele Acknowledgement

- Action: Resolution XX-2024 – Rep. Keith Goehner Acknowledgement
- Presentation: Public Safety Reports – Randy Lake of Chelan Co. Sheriff's Office and Mike Smith of Chelan Co. Fire District #3
- March 2024 Public Safety Reports (Include with Cpl. Lake and Cap. Smith presentation tab)
- Presentation: Upper Valley Museum – Matt Cade
- Public Hearing: Alley Vacation on April 23, 2024 @ 7:00 PM
- Public Hearing: Park Avenue Vacation on April 23, 2024 @ 7:00 PM
- Action: Resolution XX-2024 – Financial Policy Update – Chantell
- Action: Resolution XX-2024 – Rate & Fee Schedule – Chantell
- Action: Ordinance XXXX – Alley Vacation Request – Lilith
- Action: Ordinance XXXX – Park Avenue Vacation Request – Lilith
- Action: Professional Services Agreement – CONSULTANT – 2024 Cemetery Expansion Project – Andi
- Action: Supplemental Agreements No. XX and XX – Professional Services Agreement – Gray & Osborne – Glacier Parking Lot Improvements – Andi
- Info Items: March 2024 Finance Report – Chantell
- Info Items: March 2024 Public Works Dept Report – Tom
- Info Items: March 2024 Planning Commission Minutes – Lilith
- Info Items: March 2024 Lodestar Report
- Reminder: Community Engagement Night on May 7, 2024 at the Festhalle from 5:00-8:00 PM

---

May 14, 2024 - (Packet Materials Due May 3<sup>rd</sup>)

5:30 PM Study Session: (80 Minutes)

- 15 min – Chamber Report
- 45 min – Chelan Co. Dept. of Natural Resources – River Recreation Management Plan
- 10 min – Professional Services Contract – Pacific Security
- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Consent Agenda: Set Public Hearing for Six-Year Transportation Improvement Plan on May 28, 2024 @ 7:00 PM
- Consent Agenda: PRSA Voucher Request – Chantell
- Public Hearing: Flood Regulations on April 23, 2024 @ 7:00 PM
- Public Hearing: Cottage Housing on April 23, 2024 @ 7:00 PM
- Action: Professional Services Agreements – Sue
  - Pacific Security for Parking Enforcement
  - Pacific Security for Patrol Services
- Info Items: April 2024 Public Works Report



- Info Items: Finance Committee Meeting on May 16, 2024 at 3:00 PM

---

May 28, 2024 Council Meeting - (Packet Materials Due May 17<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- 80 min – Parking Study Results Discussion – confirmed with Rick Williams Consulting

Council Meeting:

- Consent Agenda: Mayoral Appointment of Oliver Brulotte to Design Review Board Position No. 1 – Expires 6/2024
- Presentation: Public Safety Reports – Randy Lake of Chelan Co. Sheriff's Office and Mike Smith of Chelan Co. Fire District #3
- April 2024 Public Safety Reports (Include with Cpl. Lake and Cap. Smith presentation tab)
- Public Hearing: Six-Year Transportation Improvement Plan on May 28, 2024 @ 7:00 PM
- Public Hearing: Code Consistencies on May 28, 2024 @ 7:00 PM
- Resolution XX-2024 – RCO Grant for the Pool
- Info Items: April 2024 Finance Report – Chantell
- Info Items: April 2024 Planning Commission Minutes
- Info Items: April 2024 Lodestar Report

---

June 11, 2024 - (Packet Materials Due May 31<sup>st</sup>)

5:30 PM Study Session: (80 Minutes)

- 15 min – Chamber Report
- 10 min – Sidewalk Snow Removal Code Discussion
- 30 min – Holidays on Ice
- 15 min – Social Media Policy Review
- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Presentation: Consumer Confidence / Water Use Efficiency Report – Tom/Chris Klanke
- Action: Ordinance XXXX – Cottage Housing
- Action: Ordinance XXXX – Flood Regulations
- Action: Ordinance XXXX – Six-Year Transportation Improvement Plan
- Info Items: May 2024 Public Works Report
- Info Items: Finance Committee Meeting on June 20, 2024 at 3:00 PM

---

June 25, 2024 Council Meeting: - (Packet Materials Due June 14<sup>th</sup>)

5:30 PM Study Session (80 Minutes)

- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting

- Consent Agenda: PRSA Voucher Request – Chantell
- Consent Agenda: Annual Report Acceptance - Chantell
- Presentation: Public Safety Reports – Randy Lake of Chelan Co. Sheriff's Office and Mike Smith of Chelan Co. Fire District #3
- May 2024 Public Safety Reports (Include with Cpl. Lake and Cap. Smith presentation tab)
- Info Items: May 2024 Finance Report – Chantell
- Info Items: May 2024 Planning Commission Minutes – Lilith
- Info Items: May 2024 Lodestar Report
- Reminder: Mayor's Annual Breakfast at (Location TBD) – August 7, 2024 from 8:30-10:00 AM

---

July 9, 2024 - (Packet Materials Due June 28<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- 15 min – Chamber Report
- 15 min – 2024 Quarterly Project Update / 2024 Future Council Agenda Items – All Staff
- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Action: Ordinance XXXX – Quarterly Budget Amendment - Chantell
- Info Items: June 2024 Public Works Report – Tom
- Info Items: Finance Committee Meeting on July 18, 2024 at 3:00 PM
- Reminder: Mayor's Annual Breakfast at (Location TBD) – August 7, 2024 from 8:30-10:00 AM
- Reminder: Community Block Party – August 22, 2024 from 4:00-8:00 PM

---

July 23, 2024 Council Meeting: - (Packet Materials Due July 12<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Consent Agenda: Transportation Benefit District Mid-Year Funding Update and History – Chantell

- Presentation: Public Safety Reports – Randy Lake of Chelan Co. Sheriff’s Office and Mike Smith of Chelan Co. Fire District #3
- June 2024 Public Safety Reports (Include with Cpl. Lake and Cap. Smith presentation tab)
- Info Items: June 2024 Finance Report – Chantell
- Info Items: June 2024 Planning Commission Minutes – Lilith
- Info Items: June 2024 Lodestar Report
- Reminder: Mayor’s Annual Breakfast at (Location TBD) – August 7, 2024 from 8:30-10:00 AM
- Reminder: Community Block Party – August 22, 2024 from 4:00-8:00 PM

---

August 13, 2024 - (Packet Materials Due August 2<sup>nd</sup>)

5:30 PM Study Session: (80 minutes)

- 15 min – Chamber Report – Troy Campbell
- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Consent Agenda: Cancel the August 27, 2024 Study Session and Council Meeting
- Info Item: July 2024 Public Works Report – Tom
- Info Items: Finance Committee Meeting on August 15, 2024 at 3:00 PM
- Info Items: July 2024 Finance Report – Chantell
- Info Items: July 2024 Planning Commission Minutes – Lilith
- Info Items: July 2024 Lodestar Report
- Reminder: Community Block Party – August 22, 2024 from 4:00-8:00 PM

---

August 27, 2023 Council Meeting - Meeting Cancelled?

---

September 10, 2024 - (Packet Materials Due August 30<sup>th</sup>)

5:30 PM Study Session (80 Minutes)

- 15 min – Chamber Report - Troy
- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Consent Agenda: Set Public Hearing on Ad Valorem (Property) Tax @ 7:00 PM on 10/22/2024 – Chantell
- Info Items: August 2023 Public Works Report
- Info Items: Finance Committee Meeting on September 19, 2024 at 3:00 PM

---

September 24, 2024 Council Meeting: - (Packet Materials Due September 13<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- 15 min – Resolution XX-2023 – Legislative Priorities for 2025 – Mayor
- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Finance Committee – Special Meeting on Budget Review if Necessary – Chantell
- Presentation: Public Safety Reports – Randy Lake of Chelan Co. Sheriff's Office and Mike Smith of Chelan Co. Fire District #3
- July & August 2024 Public Safety Reports (Include with Cpl. Lake and Cap. Smith presentation tab)
- Info Items: August 2024 Finance Report – Chantell
- Info Items: August 2024 Planning Commission Minutes
- Info Items: August 2024 Lodestar Report
- Reminder: Community Engagement Night October 29, 2024 at the Festhalle from 5:00-8:00 PM

---

October 8, 2024 - (Packet Materials Due September 27<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- 15 min – Chamber Report
- 15 min – Resolution XX-2024 – Rate & Fee Schedule Call for Changes – All Staff
- 10 min – 2024 Quarterly Project Update / 2024 Future Council Agenda Items – All Staff
- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Action: Ordinance XXXX – Quarterly Budget Amendment - Chantell
- Info Items: September 2023 Public Works Report
- Info Items: Finance Committee Meeting on October 17, 2024 at 3:00 PM
- Reminder: Community Engagement Night October 29, 2024 at the Festhalle from 5:00-8:00 PM

---

October 22, 2024 Council Meeting: - (Packet Materials Due October 11<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Consent Agenda: Set Public Hearing on 2025-2026 Preliminary Budget on Nov 12, 2024 @ 7:00 PM

- Consent Agenda: Set Public Hearing on 2025-2026 Final Budget on Nov 26, 2024 @ 7:00 PM
- Public Hearing on Ad Valorem (Property) Tax @ 7:00 PM on 10/22/2024 – Chantell  
Presentation: Public Safety Reports – Randy Lake of Chelan Co. Sheriff’s Office and Mike Smith of Chelan Co. Fire District #3
- September 2024 Public Safety Reports (Include with Cpl. Lake and Cap. Smith presentation tab)
- Info Items: September 2024 Finance Report – Chantell
- Info Items: September 2024 Planning Commission Minutes – Lilith
- Info Items: September 2024 Lodestar Report
- Reminder: Community Engagement Night on October 29, 2024 at the Festhalle from 5:00-8:00 PM

---

November 12, 2024 - (Packet Materials Due November 1<sup>st</sup>)

5:30 PM Study Session: (80 Minutes)

- 10 min – Chamber Report
- 15 min – Leavenworth Area Promotions (LAP) 2025 – 2026 Budget Request - Selby
- 15 min – Review of Rate & Fee Schedule Changes for 2024 – All Staff
- 15 min – Budget Priority Review (if necessary) – Selby/Chantell
- 10 min – Review of 2025 Planning Commission Docket – Lilith
- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Consent Agenda: PRSA Voucher Request – Chantell
- Public Hearing: 2025-2026 Preliminary Budget @ 7:00 PM – Chantell
- Action: Ordinance XXXX – Adopting Ad Valorem Tax & Authorize Mayor to Sign Tax Levy – Chantell
- Info Items: October 2023 Public Works Report
- Info Items: Finance Committee Meeting on November 21, 2024 at 3:00 PM
- Reminder: Community Engagement Night on November XX, 2024 at the Festhalle from 5:00-8:00 PM

---

November 26, 2024 Council Meeting - (Packet Materials Due November 15<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Presentation: Public Hearing on 2025-2026 Final Budget @ 7:00 PM – Chantell
- Presentation: Public Safety Reports – Randy Lake of Chelan Co. Sheriff’s Office and Mike Smith of Chelan Co. Fire District #3

- October 2024 Public Safety Reports (Include with Cpl. Lake and Cap. Smith presentation tab)
- Info Items: October 2024 Finance Report – Chantell
- Info Items: October 2024 Planning Commission Minutes
- Info Items: October 2024 Lodestar Report

---

December 10, 2024 - (Packet Materials Due November 29<sup>th</sup>)

5:30 PM Study Session: (80 Minutes)

- 15 min – Chamber Report
- 20 min – Review of 2025 Planning Commission Docket – Lilith
- 10 min – Council Updates/Suggestions for Future Agenda Items

Council Meeting:

- Consent Agenda: Cancel December 24, 2024 Regular Council Meeting – Selby
- Action: Resolution XX-2024 – 2025 Rate & Fee Schedule – Chantell
- Action: Ordinance XXXX – Amending Biennial Budget – Chantell (if necessary)
- Action: Ordinance XXXX – Adoption of 2025 – 2026 Biennial Budget & 2025 Salary Schedule - Chantell
- Info Items: November 2024 Public Works Report
- Info Items: November 2024 Finance Report – Chantell
- Info Items: November 2024 Public Safety Reports
- Info Items: November 2024 Planning Commission Minutes
- Info Items: November 2024 Lodestar Report

---

December 24, 2024 Council Meeting - (Packet Materials Due December 13<sup>th</sup>)

- Meeting Canceled?

---

Notes :

- EXECUTIVE SESSION: RCW 42.30.110 (1)(b) Property Selection Site or Acquisition
- EXECUTIVE SESSION: RCW 42.30.110 (1)(c) Property Sale – Minimum Price
- EXECUTIVE SESSION: RCW 42.30.110 (1)(d) Review Negotiations of Sheriff Contract
- EXECUTIVE SESSION: RCW 42.30.110(1)(h) To Evaluate the Qualifications of a Candidate for Appointment to Elective Office
- EXECUTIVE SESSION: RCW 42.30.110 (1)(i)(i) Threatened Litigation
- EXECUTIVE SESSION: RCW 42.30.110 (1)(i)(ii) Potential Litigation

- EXECUTIVE SESSION: RCW 42.30.110 (1)(i) Pending Litigation
  - EXECUTIVE SESSION: RCW 42.30.110 (1)(i)(iii) Legal Risks for Proposed Action
  - EXECUTIVE SESSION: RCW 42.30.110 (g) Wages and Collective Bargaining\*
  - CLOSED MEETING: RCW 42.30.140 (4)(b) Wages and Collective Bargaining\*
- \*Clarify with legal which meeting RCW to use for Wages and Collective Bargaining

2025 Future Items:



**GARBAGE RATES, FEES, AND CHARGES**

In 2017 the City Council approved Resolution 20 – 2017 which identified and approved annual percentage rate increases for each utility 2018 through 2022. These utility rate increases are based on the Utility Rate Study that was completed by HDR, Inc. in 2017/2018. 2024 rates have been incorporated on a balanced budget perspective with a new Utility Rate Study anticipated to be completed in 2024 for new 2025 rates. The Utility Rate Study is a review of operating costs, debt service costs and future capital improvement costs; using those numbers annual rates are then calculated to ensure the revenues for each utility equal the expenditure for each utility.

BIG BELLY RATES ARE STILL NEEDED AND WILL BE INCLUDED FOR THE ADOPTION OF THESE CHANGES ON APRIL 23<sup>RD</sup>.

**Commercial and Multifamily Residential (Weekday’s pickup)**

1. Scheduled Collections

- a. 64-gallon tote container: \$44.42 per month multiplied by the number of times per week that the garbage is collected. ~~Multifamily residential complexes not using a 300-gal container will be charged the base garbage rate for each housing unit.~~
- b. 96-gallon tote container: \$66.53 per month multiplied by the number of times per week that the garbage is collected. ~~Multifamily residential complexes not using a 300-gal container will be charged the base garbage rate for each housing unit.~~
- c. ~~96-gallon Bear-resistant tote container when utilized as replacement of a 300-gallon container: \$46.00 per month multiplied by the number of times per week that the garbage is collected.~~
- de. 300 Gallon Containers: \$100.86 per month for each 300-gal (1.5 cubic yard) container, multiplied by the number of times per week that the container is emptied.
- ed. Per bag per collection.....\$6.10
- fe. Overloaded 64-gallon tote container.....\$6.10 per occurrence
- gf. Overloaded 96-gallon tote container.....\$9.05 per occurrence
- h. Overloaded 96-gallon Bear-resistant tote container.....\$9.05 per occurrence
- ig. Overloaded 300-gallon tote container.....\$16.10 per occurrence

2. Non-scheduled or additional collection of garbage in proper containers (this rate is 1/2 the monthly weekday rate to account for additional staff time to schedule, collect, and bill; customers can reduce use of this by scheduling ongoing additional collections on a one-time monthly basis):

- a. Per 64-gal tote container per collection... \$22.21
- b. Per 96-gal tote container per collection.....\$33.27
- c. Per 96-gal Bear-resistant tote container per collection.....\$23.00
- de. Per 300-gal container per collection... \$50.43
- ed. Per bag per collection.....\$3.05

Effective ~~January-April 23~~, 2024 per Resolution ~~19XX-~~2024-22 | Page

**Commented [TW1]:** We discussed adding a fee for street cans; however, moving to Big Belly, we need to look into this more.

**Commented [CS2R1]:** Yes I spoke to Andi about it and the need to consider how to get reports from the system for Beverly to know the # of pickups each month so she can adjust the billing on a monthly basis. Andi also noted that the compacting is estimated to be about 3 times that of the 35-gallon gallons that we have been using so maybe we take the 64 gallon rate divided by 2 for 35's and then multiply that by 3. This would makes sense so long as the capacity of the bigbelly is 35 gallons and if not then we need to reconsider the math.



- 3. 300-gallon Container Rental (for garbage) without caster wheels.... \$35.00 /container/ month
- 300-gallon Container Rental (for garbage) with caster wheels.... \$50.00 /container/ month
- 96-gallon Bear-resistant Rental.....\$7.00 /container/ month

**Commercial (Weekend's pickup – 30% increase over weekday)**

1. Scheduled collections - Entitles user to a collection of one container per month multiplied by the number of times per weekend day that the garbage is collected.

- a. 64-gallon tote container:..... \$57.75 per month
- b. 96-gallon tote container:..... \$86.49 per month
- c. 96-gallon Bear-resistant tote container when utilized as replacement of a 300-gallon container.....\$59.80 per month
- d. 300-gallon container..... \$131.12 per month
- e. Per bag per collection.....\$7.93
- f. Overloaded 64-gallon tote container.....\$7.93 per occurrence
- g. Overloaded 96-gallon tote container.....\$11.77 per occurrence
- h. Overloaded 96-gallon Bear-resistant tote container.....\$11.77 per occurrence
- i. Overloaded 300-gallon tote container..... \$20.93 per occurrence

2. Non-scheduled collection or additional collection of garbage in proper containers (this rate is 1/2 the monthly weekend rate to account for additional staff time to schedule, collect, and bill; customers can reduce use of this by scheduling ongoing additional collections on a one-time monthly basis):

- a. Per 64-gal tote container per collection.....\$28.88
- b. Per 96-gal tote container per collection.....\$43.25
- c. Per 96-gal Bear-resistant tote container per collection.....\$29.90
- d. Per 300-gal container per collection.....\$65.56
- e. Per bag per collection .....\$7.93

- 3. 300-gallon Container Rental (for garbage) without caster wheels..... \$35 /container/ month
- 300-gallon Container Rental (for garbage) with caster wheels..... \$50 /container/ month
- 96-gallon Bear-resistant Rental.....\$7.00 /container/ month

Commented [TW3]: This is redundant - delete?

Commented [CS4R3]: No we keep this because it is in a different section - ie commercial Weekend's pickup - ppl have challenged the fee if it is not in their specific section as some folks only have weekend pickup and not weekdays.

**Commercial Cardboard Service**

1. Commercial Cardboard collection: As of July 1, 2018, all commercial accounts will be assessed a monthly fee for the service of cardboard collection depending on the location of the business (See sections a and b).

a. Front Street Alley Core – Any business bordering Front Street (South Side)/Commercial Street (North Side) alley from 10<sup>th</sup> Street traveling west to termination of the alley way (approximately 621 Front Street).

b. Stand-Alone Cardboard – Any business/Institution not in the Front Street Alley Core.

2. Front Street Alley Core will be assessed a \$23.46 per month surcharge per each business as defined above in sections a and b. This fee will cover unlimited use of one common 300-gallon cardboard container which will be placed in an approved, specified location within the alleyway. Servicing will take place two times per week, or as needed by the Public Works Department.

3. Stand-Alone Cardboard will be assessed a \$31.28 per month surcharge as defined above in sections a and b. Commercial Stand-Alone Customers will be provided with a 300-gallon container. Servicing will take place one time per week, unless scheduled otherwise by the business or institution.

i. Additional Scheduled Pickup.....\$22.70

ii. Additional Unscheduled Same Day Pickup.....\$83.49

iii. In the event any Commercial Stand-Alone customer within the City permits cardboard to accumulate thereon, or fails to place the same conveniently for loading, the City, at its discretion, may collect and remove such cardboard, and in such case the entire expense of the collection and removal thereof, as determined by the City, shall be charged against such premises, and against the owner or occupant, in addition to the regular charge for collection and disposal of such cardboard.

Containers will be serviced regularly to maintain sanitary and aesthetic conditions. Proper maintenance of the container is to ensure that discarded commercial cardboard pertaining to the business operation is placed securely inside the container. If materials other than recyclable cardboard are discarded in the containers, the City may not service the container until these items are removed. The City of Leavenworth is not responsible for removing refuse or discarded items around the container or enclosure, the commercial customer is responsible for removing the items for the City to continue regular service. In the event any Commercial Stand-Alone customer within the City permits cardboard to accumulate thereon, or fails to place the same conveniently for loading, the City, at its discretion, will remove such cardboard, and in such case the entire expense of the collection and removal thereof, shall be charged against the owner or occupant, in addition to the regular charge for collection and disposal of such cardboard per the current rate and fee schedule.

a. If recycling containers are contaminated with trash, there is a \$25 fee to have the refuse truck return and re-service the recycle container as trash.

~~b. The City of Leavenworth is not responsible for spilled trash caused by weather, animals, birds, overfilled containers, or containers with open lids. Any material outside of its container will be billed to the business at a rate of \$55 per hour/per employee (2-hour minimum) used to clean the area. Any equipment deemed necessary for the clean-up will be charged directly to the business at \$100 per hour.~~

be. In the event problems persist with the maintenance of the containers by the Commercial Stand-Alone Business, the City reserves the right to remove the recycle container, in which



the business will lose the right to this service and must dispose of their materials at their own discretion.

**Miscellaneous**

The City of Leavenworth is not responsible for spilled trash caused by weather, animals, birds, overfilled containers, or containers with open lids. Any material outside of its container will be billed to the business at a rate of \$55 per hour/per employee (2-hour minimum) used to clean the area. Any equipment deemed necessary for the clean-up will be charged directly to the business at \$100 per hour.

Dirty refuse totes or containers: Customers are responsible for keeping their City issued refuse totes and containers clean and sanitary. If you wish to have the City clean your existing tote or container, there is an additional fee:

64/96-gallon Tote Container Cleaning Fee.....	\$27.56
300-gallon Container Cleaning Fee .....	\$55.17
Damaged or lost totes or containers replacement fees:	
64/96-gallon Tote Container Replacement Fee .....	\$146
300-gallon Container Replacement Fee.....	\$588
96-gallon Bear-Resistant Tote Container Replacement Fee.....	\$500
Commercial Account/300-Gal Dumpster Surcharge (Street Can Service – <u>non-alley locations</u> ) .....	\$20.33/Account
Late Fee .....	\$15

**Final or closing utility bill:** The City does not pro-rate utility bills. Accounts involving new owners, the pro-ration is between the previous owner and the new owner. In the event a previous balance is on the account, the City will make every effort to collect from the previous owner. However, the new owner is ultimately responsible for the bill, as the utility account stays with the property. The City suggests contacting the title company used in the real estate transaction for further remedy. In a landlord-tenant situation the landlord is ultimately responsible for the utility bill.

**Additional Charge For Pickup For Noncompliance:** In the event any owner or occupant of premises within the City permits garbage to accumulate thereon, and fails or refuses to deposit such garbage in suitable containers in accordance with the provisions of this resolution, or fails to place the same conveniently for loading, the City, at its discretion, may collect and remove such garbage, and in such case the entire expense of the collection and removal thereof, as determined by the City, shall be charged against such premises, and against the owner or occupant, in addition to the regular charge for collection and disposal of such garbage.

**RESOLUTION NO. ~~X7-20243~~****A RESOLUTION OF THE CITY OF LEAVENWORTH, WASHINGTON, AMENDING  
THE FINANCIAL POLICY**

BE IT RESOLVED by the City Council of the City of Leavenworth, Washington as follows:

WHEREAS, the purpose of a Financial Policy is to outline the financial goals, policies and financial reporting requirements of the City, and

WHEREAS, the City Council conducted an annual review of the adopted financial policy guidelines and is proposing recommendations to the policy as set forth below.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LEAVENWORTH,  
WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** The compilation of fiscal policies entitled “City of Leavenworth Financial Policy” attached hereto, and incorporated herein by this reference as set forth in full, is hereby amended as the official statement of financial policy for the City of Leavenworth and supersedes any revisions that have been theretofore made.

**Section 2.** Resolution ~~711-20232~~ is hereby repealed.

Passed by the City Council of the City of Leavenworth and approved by the Mayor this ~~2313<sup>rd</sup>~~ day of ~~June~~April, 2024~~3~~.

CITY OF LEAVENWORTH

By:

\_\_\_\_\_  
Carl J. Florea, Mayor

Attest:

\_\_\_\_\_  
Andrea Fischer, City Clerk

# CITY OF LEAVENWORTH FINANCIAL POLICY

## TABLE OF CONTENTS

1. GENERAL FINANCIAL GOALS .....	1
2. OPERATING BUDGET POLICIES .....	1
3. REVENUE POLICIES.....	2
4. EXPENDITURE POLICIES .....	3
5. CAPITAL INVESTMENT BUDGET POLICIES.....	<del>43</del>
6. SHORT-TERM DEBT POLICIES.....	<del>54</del>
7. LONG-TERM DEBT POLICIES.....	<del>64</del>
8. RESERVE FUND POLICIES.....	<del>76</del>
9. INVESTMENT POLICIES .....	<del>108</del>
10. SPECIAL REVENUE POLICIES .....	<del>108</del>
11. ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES .....	<del>109</del>
12. BUDGET CALENDAR .....	<del>119</del>

## **1. General Financial Goals**

- a. To provide a financial base sufficient to sustain municipal services to maintain the social well-being and physical conditions of the City.
- b. To be able to withstand local and regional economic trauma, to adjust to changes in the service requirements, and to respond to other changes as they affect the community.
- c. To maintain an excellent credit rating in the financial community and assure taxpayers that Leavenworth city government is maintained in sound fiscal condition.

## **2. Operating Budget Policies**

- a. The base operating budget is the City's comprehensive two-year financial plan which provides for the desired level of city services as defined by the City's priorities. A biennial budget will be developed every two years and will be reviewed annually using a "budgeting by priorities" process.
- b. The goals of the Budgeting by Priorities process are:
  - Align the budget with Council / Citizen priorities
  - Measure progress towards priorities
  - Get the best value for each tax dollar
  - Foster continuous learning in the City
  - Build regional cooperation
- c. "One-time" expenses require specific authority to be carried forward into subsequent budgets.
- d. Revenues and expenditures for the General Fund and all operating funds shall be projected for the ensuing biennium.
- e. Biennial operating budgets should provide for design, construction, maintenance and replacement of the City's capital, plant, and equipment consistent with the Capital Facilities Plan including the related cost for operating such new facilities.
- f. The City will maintain all its assets at a level such that it protects the City's capital investment and minimizes future maintenance and replacement costs.
- g. The City will develop an equipment replacement and maintenance needs analysis for the life cycle of the equipment and will update this projection every two years consistent with budget development.
  1. The City currently maintains a schedule of replacement for the Equipment Rental and Revolving Loan Fund for Vehicles and Equipment.
  2. The City currently maintains a schedule of replacement for all citywide computer systems.

3. The City ~~will strive to create and currently~~ maintains a schedule of replacement for city owned facilities and equipment ~~for the 2023–2024 biennial budget.~~

h. All general government current operating expenditures will be paid from current revenues and cash carried over from the prior biennium. Reports on revenues and expenditures will be prepared monthly for the City Council for review. The City will avoid budgetary and accounting procedures which balance the current budget at the expense of future budgets. The City of Leavenworth defines a balanced budget as current biennium revenues (including fund balances) are equal to or greater than current biennium budgeted expenditures (including ending fund balances). The City will attempt to utilize beginning balances and other one-time revenues only for one-time/non-recurring expenditures such as planned capital improvements or projects.

i. All supplemental appropriations for programs (appropriations requested after the original budget is adopted) will be considered as a result of the availability of new revenues (such as unanticipated grants) or fund balance if available and without affect to a fund’s minimum reserve. All supplemental appropriations will conform to the “Budgeting by Priorities” process.

### **3. Revenue Policies**

a. The City will strive to maintain as diversified and stable a revenue system as permitted by state law to shelter it from short-run fluctuations in any one revenue source. The revenue mix should combine elastic and inelastic revenue sources to minimize the effect of an economic downturn.

b. Because revenues, especially those of the General Fund, are sensitive to both local and regional economic activities, revenue estimates provided to the City Council shall be conservative.

c. The City will estimate its biennial revenues by an objective, analytical process using past historical figures, economic changes, and suggestions provided annually by the Municipal Research and Service Center Budget Suggestions pamphlet.

d. The City will establish all user charges at a level related to the cost of providing the service and within policy parameters established by the City Council.

e. Each year, the City will review user fees to adjust for the effects of inflation and other factors as appropriate. The City will set fees for user activities, such as development and recreational services, at a level to support the direct and indirect costs of the activity.

g. The City will set fees and user charges for each enterprise fund, such as Water, Wastewater, Garbage, Stormwater, and Parking at a level that fully supports the total direct and indirect cost of the activity including the cost of annual depreciation of capital assets. Additionally, for analysis and rate modeling purposes, the proposed rates shall also take into account debt service coverage commitments made by the City at a minimum of 100% of the annual debt service.

#### 4. Expenditure Policies

- a. The City budget will provide for a sustainable level of service as defined in the context of the Budgeting by Priorities process.
- b. The City's operating budget will not use one-time revenues to support ongoing expenditures.
- c. The City will maintain expenditure categories according to state statute and administrative regulation. Capital expenditures shall meet the requirements of generally accepted accounting principles (GAAP) which would include purchases that will be used for at least one year such as computers, vehicles, equipment, office furniture, real property, and improvements to city infrastructure. Typically, these items would have a minimum cost of \$5,000 but may be less in the case of such items as computers and equipment.
- d. The City will structure service levels in the context of financial sustainability.
- e. The City will forecast its General Fund expenditures biennially. The drivers and assumptions used in the forecast will be described when necessary. All other funds will use past historical figures and economic changes where appropriate.
- f. Disbursement of Funds by Electronic Fund Transfer (EFT):

To promote the safety of City funds in the electronic funds transfer environment, the following procedures will be adhered to:

- 1. The procedure to initiate, approve, and record an EFT payment is subject to the same financial policies, procedures, and controls that govern disbursements made by any other means.
  - i. Review of transfer by Finance Director or her/his designee who will not be entering or initiating the transfer.
  - ii. Signature of the Finance Director as an authorized check signer.
  - iii. Reconciliation of bank activity to the General Ledger will be performed in a timely manner with all exceptions resolved.
- 2. EFT transactions will not be made without proper authorization of affected parties in accordance with federal and state statutes and accepted business practices.
- 3. All EFT payments should be initiated by secure computer-based systems:
  - i. Cashmere Valley Bank Secure Login (portal requires secure connection and valid certificates) and security questions as well as multifactor authentication when accessing from an unknown ip address.
  - ii. Known payroll benefit providers' portals, such as IRS, AWC, DRS, Employment Security, Washington State Child Support, etc.
- 4. The City Finance Director shall serve as primary administrator to manage and control access to the systems used to process EFT transactions. The administrator shall ensure that adequate separation of duties exists in accordance with accepted internal control standards. In addition, the administrator shall ensure approval and maintenance of



user system IDs, user permissions, including authorized representatives and their associated transfer limits. The Mayor has authority to serve as back up administrator. In addition, this policy requires frequent (annual if possible) training for the Finance Director and Deputy Clerk or other payroll/banking designee with access to the City's online banking to ensure continued review and training of new methods of identifying online attacks, malware and malicious email attempts.

5. Because EFT transfers between City bank accounts have reduced risk, the Finance Office may use EFTs on a routine basis to concentrate funds for payment and investment purposes. Although the risks are minimal for transfers between City accounts, reasonable controls should exist with regard to authorization, reconciliation, and review of these transactions.
6. EFT payments are limited to transfers between City bank accounts, employee expense reimbursement, payroll and payroll benefits, Dept of Licensing for receipt of Business License revenues or refunds, and 3<sup>rd</sup> party agencies for revenue or service charges, such as Xpress Bill Pay for credit cards payments and Parking related revenues or refunds, and all local, state or federal agencies for deposit of grant or loan funds.
7. Employees must submit hard copy of completed Direct Deposit Agreement Form to the Finance Director or payroll designee. Requests for changes to payroll information is not allowed via email or text message. Any change to banking information will require a newly completed form. Employee signatures will be verified against signature on file. If an employee submits a change request without enough time for authorization prior to payroll, payment will be made by check until such time as the information can be verified.
8. The City recognizes the Personnel Policy Section 8.15 Technology Usage and Privacy, Resolution 20-2012 Standard Operating Procedures for Cash Handling Procedures, and the City's contract with Firefly for Information Technology Protection as a portion of computer standards, policies and procedures to protect the computers and computing processes used for EFTs from computer malware, hacking or other attempts by outside users to access the City's server/system.
9. Access to the City's online banking is restricted to workplace computer access only, either on site or via a secured remote connection to the onsite computer with multifactor authentication measures incorporated, when necessary, from a home/work office; remote access should be limited when possible.

## **5. Capital Investment Budget Policies**

- a. The City will make capital improvements in accordance with an adopted capital facilities plan and six-year transportation improvement plan.
- b. The Capital Facilities Plan, the Six-Year Transportation Improvement Plan, and the base operating budget will be reviewed at the same time to ensure that the City's capital and operating needs are balanced with each other and that the Capital Facilities Plan and Six-Year Transportation Improvement Plan is aligned with the City's other long-range plans.

c. The City will ~~develop~~maintain a six-year plan for capital improvements including operations and maintenance costs that will be reviewed each year. Capital expenditures will be forecasted taking into account changes in population, changes in real estate development, or changes in relevant economic condition of the City and the region.

d. The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to Council for approval. The City will use intergovernmental assistance and other outside resources whenever possible.

1. Partnership funding with non-intergovernmental partners: The City may consider entering into agreements with various non-governmental agencies for a specific project development on a case-by-case basis through the use of a Developer Reimbursement and Collection Agreement as defined in the Leavenworth Municipal Code or other City Council approved agreement. In general, the City is not considered a partner for development of new construction; however, the City Council may consider a financial partnership that meets at a minimum the following criteria:

- i. The project costs meet all financial criteria within this Financial Policy without jeopardizing the financial stability or credit rating of the City.
- ii. The project has been accounted for in the City's various planning documents including but not limited to the Comprehensive Plan, 6-year Capital Facilities Plan, 6-year Transportation Improvement Plan, Water, Sewer, Stormwater, Park & Recreation, Regional Trails and/or Downtown Master Plans.
- iii. The Developer provides the City with financial proof of ability to complete the construction of their agreed upon portion of the project. Financial proof could include secured bond funding notification from the bonding agency or a final line of credit from an FDIC banking institution.
- iv. The City Council may choose to incorporate additional criteria on a case-by-case basis for projects requesting partnership funding.

e. The City will determine the least costly financing method for all new projects.

## **6. Short-Term Debt Policies**

a. Short-term debt is defined as a period of three years or less.

b. The City may use short-term debt to cover temporary cash flow shortages, which may be caused by a delay in receipting tax revenues or issuing long-term debt. The City will not use short-term debt for current operations.

c. The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact the fund's current operations. All interfund short-term borrowing will be subject to Council approval by resolution.

## 7. Long-Term Debt Policies

- a. Long Term debt is that debt which exceeds three years.
- b. The City will utilize long-term borrowing for capital improvements that cannot reasonably be financed on a pay-as-you-go basis from anticipated cash flows.
- c. Acceptable uses of bond proceeds are items which can be capitalized and depreciated. Refunding bond issues designed to restructure current outstanding debt is also an acceptable use of bond proceeds provided that the net present value (NPV) of savings is at least four percent (4%).
- d. The City will determine whether self-supporting bonds (such as special assessment or local improvement district bonds) are in the City's best interest when planning to incur debt to finance capital improvements.
- e. The City will not use long-term debt for current operations.
- f. The City will maintain good communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus including proactive compliance with disclosure to the secondary market.

### g. General Obligation Bond Policy

1. Every project proposed for financing through general obligation debt shall be accompanied by a full analysis of the future operating and maintenance costs associated with the project.
2. Bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed.

### h. Limited Tax General Obligation Bond Policies

1. As a precondition to the issuance of limited tax general obligation bonds, alternative methods of financing should also be examined.
2. Before general obligation bond propositions are placed before the voters, the capital project under consideration should have been included in the Capital Facilities Plan. The source of funds should describe the intended use of bond financing.
3. Limited tax general obligation bonds should only be issued under certain conditions:
  - A project requires monies not available from alternative sources;
  - Matching fund monies are available which may be lost if not applied for in a timely manner; or
  - Catastrophic conditions.

### i. Financing of Lease Purchases

1. Lease purchase (which may be a form of non-voted Limited Tax General Obligation debt) financing may be used when the cost of borrowing or other factors makes it in the City's best interest.

j. Loan Financing (which may be a form of non-voted Limited Tax General Obligation debt)

1. The City may apply for low interest loan financing through state and federal programs such as the Department of Commerce, Public Works Board, Department of Ecology, Department of Health and any other program created for low interest financing of capital investments.

2. Under Washington State law, the public may vote to approve bond issues for General Government Purposes in an amount not to exceed 2.5% of assessed valuation. Within the General Purposes limit of 2.5%, the City may approve bond issues and/or lease purchases up to 1.5% of the City's total assessed value without a vote of the people and the remaining 1% with a vote of the people. State law also provides for an additional 2.5% of assessed valuation for Utility Purposes and 2.5% of assessed valuation for Open Space, Park and Capital Facilities of which each requires a vote of the people. The City Council recognizes that these limits, although allowable, may not be affordable for the debt service payments; therefore, the following additional policies on use are defined and may be amended from time to time by action of the City Council:

- i. For General Purpose Limits the City Council is authorized to approve up to 1.35% of the 1.5% without a vote of the people. The remaining .15% is reserved for emergency uses only and must first be approved by resolution for use.
- ii. For General Purpose Limits the City Council is authorized to approve up to the full 1% with a vote of the people as defined by State Law.
- iii. For Utility Purpose Limits the City Council is authorized to approve up to 1% of the 2.5% with a vote of the people. The remaining 1.5% is reserved for emergency uses only and must first be approved by resolution for use.
- iv. For Open Space, Park and Capital Facilities the City Council is authorized to approve up to 1% of the 2.5% with a vote of the people. The remaining 1.5% is reserved for emergency uses only and must first be approved by resolution for use.

## **8. Reserve Fund Policies**

a. The City will maintain General Operating Reserves at a level equal to at least 35% of the total General Fund budgeted revenue, including the beginning fund balance, development review revenue, and any significant one-time revenue. This reserve would exclude any non-revenues and interfund loans within the current year. This reserve shall be created and maintained to:

1. Provide sufficient cash flow to meet daily financial needs.

2. Sustain City services in the event of a catastrophic event such as a natural/manmade disaster (e.g., earthquake, windstorm, flood, terrorist attack) or a major downturn in the economy. In general, the City shall endeavor to support ongoing operations with ongoing revenues, but may use reserves on a one-time basis to support City services pending the development of a longer-term financial solution. However, in no event shall reserves be used longer than one biennium to support City operations. If reserves are used, the City will begin to replenish these reserves at the end of the biennium if a surplus exists, but no later than the biennium following their use.

3. The City will strive to maintain the General Operating Reserves in future years to a minimum of 40% of revenues as noted above.

b. Biennium surpluses in the General Fund will be used to fund one-time operations, capital expenditures, dedication to a Capital Facilities planned expenditure or utilized to increase the general operating reserve minimum planned for future years:

1. There are surplus balances remaining after all current expenditure obligations and reserve requirements are met.

2. The City has made a determination that revenues for the ensuing biennium are sufficient to support budgeted General Fund operations.

c. A surplus is defined as the difference between the actual beginning fund balance and the budgeted beginning fund balance. It consists of under-expenditures and excess revenues over and above the amounts included in the following biennial budget.

d. The City may also maintain, at its discretion, an Economic Contingency to serve as a hedge against economic fluctuations, fund future one-time operational and capital needs or support City services on a one-time basis pending the development of a longer-term financial solution. The source of funding for this reserve is the biennium surplus as outlined in sections 8b and 8c above. Restoration of this reserve is at the City's discretion.

e. The City will maintain an Economic Contingency reserve of \$300,000 in the Lodging Tax Fund to serve as a hedge against economic fluctuations in the lodging industry, fund future one-time operational and capital needs or to address additional advertising needs due to a downturn in the economy. If reserves are used, the City will begin to replenish these reserves at the end of the biennium if a surplus exists, and fully restore those funds by no later than the biennium following their use.

f. The City will strive to maintain operating reserves in the following enterprise funds; these operating reserves shall be created and maintained to provide sufficient cash flow to meet daily financial needs. If reserves are used, the City will begin to replenish these reserves at the end of the biennium if a surplus exists, but no later than the biennium following their use:

1. 2535% of the Water Fund's total expenditures excluding ending fund balances, debt service principle and interest, capital expenditures, and one-time expenditures.

2. 3525% of the Sewer Fund's total expenditures excluding debt service principle and interest, capital expenditures, and one-time expenditures.

3. 25% of the Garbage Fund's total expenditures excluding debt service principle and interest, capital expenditures, and one-time expenditures.

4. 25% of the Stormwater Fund's total expenditures excluding debt service principle and interest, capital expenditures, and one-time expenditures

5. 100% of one year of the Parking Fund's average debt service payment.

g. Bond reserve funds shall be created for the Water and Wastewater Funds and will be maintained at a minimum in accordance with the provisions set forth in the bond covenants. These shall be in addition to the reserves described above. If no bond covenants exist, the City will strive to maintain the bond reserve funds at a minimum of 4% of the total principle debt owing on the utility.

h. The City shall maintain an Equipment Rental and Revolving Fund reserve for fleet maintenance and equipment replacement. The Equipment Reserve Funds will be maintained at a level sufficient to meet yearly operations and scheduled equipment replacement so as to sustain an acceptable level of municipal services and prevent a physical deterioration of City assets. The minimum reserve for equipment replacement shall be no less than 50% of the current amount of equipment funding necessary for replacement; however, the City will strive to maintain this reserve between 70% and 100% at any given time to ensure a strong fund balance for emergency reserves. The City will strive to purchase new equipment and vehicles; however, purchasing like-new equipment will be evaluated on a case-by-case basis.

i. The City shall also maintain Reserve Funds as follows:

1. All statutorily required reserve funds to guarantee debt service; and

2. The City shall maintain a vacation/sick leave accrual reserve of 25% of the vacation/sick payout liability that will be adjusted each year based on the prior year liability balance by fund. All accrued vacation hours are paid in full upon separation. After five (5) years employment any unused sick leave shall be paid in full upon date of termination for any reason, except just cause, up to a maximum of thirty (30) days.

3. The City shall strive to restore and maintain a 50% reserve by 2024 for the Leavenworth Civic Center Fund. 15% of the Fund's total expenditures excluding ending fund balances, debt service principle and interest, capital expenditures, and one-time expenditures will be used for operating reserves to provide sufficient cash flow purposes and the remaining 35% would be for capital related reserves.

4. The City and the Upper Valley Parks and Recreation Service Area (PRSA) shall maintain a 25% reserve for the Pool Fund. 10% of the Pool Fund's total expenditures excluding ending fund balances, debt service principle and interest, capital expenditures, and one-time expenditures will be used for operating reserves to provide sufficient cash flow purposes and the remaining 15% would be for capital related reserves.

5. The City maintains a Cemetery Endowment Fund that currently ~~grows~~increases each year from 50% of all cemetery plot and niche sales from the General Fund. The purpose of this fund is to create a fund balance large enough to sustain support of annual maintenance once the Cemetery is full. The City will review this fund each biennium to determine the status of funding against investment opportunities to determine if the fund balance has reached a minimum amount for operational costs. At the time of this policy update, the fund balance is approximately \$3~~5835~~,000.

## 9. Investment Policies

a. The investment of city funds is defined by Leavenworth Municipal Code Chapter 3.08 and is governed by RCW 35A.40.050 with the Finance Director delegated as the city's investment officer. As defined in LMC Chapter 3.08, the City's policy on investment objectives, in priority order, includes safety, liquidity, and return on investment.

## 10. Special Revenue Policies

a. The City will establish and maintain Special Revenue Funds which will be used to account for the proceeds of specific revenue sources to finance specified activities which are required by statute, ordinance, resolution, or executive order.

b. Special Revenue Funds having biennial operating budgets will be reviewed by the City during the budget process.

## 11. Accounting, Auditing, and Financial Reporting Policies

a. The City will ~~establish and~~ maintain a high standard of internal controls and accounting practices. The City accounts for revenues and expenditures on a cash basis.

b. The accounting system will maintain records consistent with accepted standards for local government accounting which is based on another comprehensive basis of accounting (OCBOA) as prescribed by the State Auditor's Office and contained in the State of Washington Budgeting, Accounting, and Reporting Systems (BARS) Manual.

c. Annual financial reports will present a summary of financial activity by major types of funds. Such reports will be available via the City's website ([www.cityofleavenworth.com](http://www.cityofleavenworth.com)).

d. A small and attractive asset system ~~will be~~is maintained to identify certain City assets and their location.

e. The City will ensure that City records are audited annually or biannually as prescribed by the State Auditor's Office, which will result in the issuance of a financial opinion. The results of such audit are to be available to the public via the State Auditor's website.

## **12. Budget Calendar**

- a. In order to facilitate and implement the budget process, the Finance Department will propose a biennial budget calendar no later than August in every even numbered year.
- b. The calendar will be comprehensive in nature and generally provide for a process that includes participation by the City Council, department staff, interlocal agencies and the public.



## Future Study Session Topics:

- Pacific Security Professional Services Contract
- Chelan Co. Dept. of Natural Resources – River Recreation Management Plan
- Noise Ordinance Update Discussion - Amending Chapter 9.33 for a Later Start for Construction on Holidays
- Holidays on Ice Discussion
- Parking Study Results
- Cottage Housing
- Cemetery Code Discussion
- Sidewalk Snow Removal Code Discussion
- Fire Retrofit Program Revamp
- Nuisance Noise vs. Measuring Decibels which is the Current Standard
- 300 Gallon Bear Resistant Tote Purchase