

LEAVENWORTH CITY COUNCIL STUDY SESSION MINUTES
December 13, 2011

Mayor Elmer Larsen called the December 13, 2011 Study Session to order at 9:00 a.m.

Council Present: Mayor Elmer Larsen, Tibor Lak, Peter DeVries, Michael Molohon, Robert Francis, Cheri Kelley Farivar and Larry Meyer.

Staff Present: Joel Walinski, Dave Schettler, Nathan Pate and Chantell Steiner.

1. Ordinance Review for 2011 and 2012 Final Budgets

Finance Director Chantell Steiner reviewed Ordinance 1405 for the final budget amendment for 2011. She reviewed each of the line item adjustments in the General, Street, Pool, 97 GO Bond, Water & Sewer, Garbage, Equipment Rental & Revolving Loan, and Central Services Funds that affect personnel, operations and maintenance, removal of a grant not received, and the refunding of the Fire Hall bond. She explained that these adjustments are needed to ensure that the City does not expend more than is authorized through the original budget and 2011 budget amendments made throughout the year. She noted that the Staff would look at other options in the future for making this final budget amendment that would allow for an amendment to one single line item per fund ensuring historical value to the original budget on other line items. Council discussed some of the adjustments needed due to contracted services that have changed such as the dump fees at the Dryden Transfer Station. She then reviewed the additional budget amendments for previous Council motions related to various engineering contracts and the separation of the Water & Sewer Bond Reserve Fund. She noted that the Water & Sewer Fund is being separated through the development of the 2012 budget, therefore no closure and transfer of those funds is occurring at this time.

Director Steiner then reviewed Ordinance 1406 which adopts the 2012 budget by the fund level. She noted that the City does adopt all expenditures including the ending fund balances. She briefly reviewed Exhibit B that identifies the salary schedule for city positions and discussed the increases included for the pool employees.

2. Resolution for Rate & Fee Schedule

City Administrator Joel Walinski said that there has been a lot of time involved with the changes incorporated for the utilities from the rate study and noted that there are some other minor changes that staff would like to review.

Development Services Manager Nathan Pate reviewed recommendations to the Development Services Department fees that includes one increase to formal code interpretations and would consolidate a variety of pre-application meeting fees creating a simple single charge for all other projects that are not specifically identified in the fee schedule as no charge. He discussed the credit language included for pre-applications and having a 6-month timeline for proceeding with the project. Council briefly reviewed the 6-month deadline and Manager Pate noted that staff is willing to work with applicants to extend the deadline on a case by case basis. It was suggested to add a sentence that allows for a request to extend the deadline.

Administrator Walinski proceeded to review the various changes to the Water and Sewer fees for system development charges that consolidates various charges and removes outside city surcharges. He then reviewed the increase that was recommended in the Utility Rate Study to increase the base rate for water

starting on January 1 by \$2 with the intent to drop the base fee in July 2012 and incorporate the new structure for charging based on rates for consumption use through new blocks per thousands of gallons used. Discussion ensued on the new structure that would encourage consumption use and how the rates would increase for summer months and would be flat during the other months of the year. Administrator Walinski briefly discussed the retention of the 25% surcharge for outside city residents and the justification based on the location and need to pump water through long distribution lines to those outside residents. He added that city residents also take on additional liability of the system than outside city residents. He noted that overall on all utilities combined the increase to the monthly bill is about 3%. A brief discussion ensued on how a stormwater utility could encourage residents to look at how better to create permeable surfaces within the area of their lots such as replacing concrete with brick driveways. Administrator Walinski explained that the increase for Garbage is based on an overall increase of 5% and discussed the new 96-gallon container for commercial and multifamily residents.

Administrator Walinski proceed to review other changes in the schedule noting that Pool Fees are not being adjusted at this time but will be reviewed later in early 2012. Director Steiner noted the addition of language for a late fee charge. In the past we have not had much invoicing; however, in recent years it has increased therefore a new late fee for invoicing has been included, which allows the City to charge this fee and also waive this fee to aid in collection of past due accounts. Council asked that the invoice fee specifically exempt utility billing. Administrator Walinski reviewed the new section related to Special Use Permits (SUP) and explained how the cost per square foot is being identified for all SUP's at one set rate that can be adjusted each year by the Council.

3. End of Year Update Future Council Agenda Items / Project Tracking

Administrator Walinski explained that the 2012 Future Council Agenda Items have been taken from 2011 actions to include the typical items that occur each year. This will continue to be updated throughout the year and will be amended as we move forward. He then discussed the Annual Objective and Project Tracking for 2011 and noted that many of these on the list that will lead into 2012 projects. He discussed the need to keep certain policy related items on the list, even once complete, such as fund balance and purchasing policies as those should be reviewed periodically. He reviewed the need to continue with enforcement of the Noise Ordinance that was adopted and the challenges the City has encountered with getting training and certification for the equipment.

4. Sheriff Contract/Animal Control Contract

Administrator Walinski reviewed the four options being presented for the Animal Control Contract based on previous discussions. Options include an agreement with the same contract as presented with a slight increase in cost or new contracts that would have either reduced services, a cost per case, or a housing only option. He explained that it has been difficult to determine a credit process for when RiverCom charges related to animal control calls; however, it has been included in the draft contract to continue with current services and includes a 50% credit to the City for each incident that the City is charged for by RiverCom with a maximum cap of \$600 annually. Council discussed the potential need to send a letter to Chelan County requesting that RiverCom not create incident calls in relation to animal control calls. Administrator Walinski noted that Council might consider Option 4 that would have no animal control services but allows for a housing contract of stray animals at a cost of \$110 per animal. Council continued to discuss the various options available and the benefits and challenges associated with each of the different options. Administrator Walinski suggested that Council consider a future discussion for animal control services when the discussion occurs on a potential new position for a public safety officer. Council suggested assigning further discussion with the Public Safety Subcommittee in 2012 to bring a recommendation back.

Administrator Walinski reviewed the data that has been compiled for looking at what other small cities are doing in regards to police services. He noted that in general the costs when contracted are low; however, there is not much control over services being provided. When a city does maintain its own service it is typically higher but the City has more control over the level and type of service provided. Councilmember Farivar questioned the future relationship for other services such as jail and prosecution services through the County should the City choose to go to their own police services. Council discussed the need to ask the questions in order to come to a conclusion that the costs being charged are justifiable and that it is the correct mechanism for providing public safety to the residents of Leavenworth. Costs to be considered need to include startup costs for vehicles and equipment, personnel, operations and maintenance, and the cost of living to have a deputy in the community 24/7.

Mayor Larsen noted that he would like to see an unbiased analysis of what the County included in the calculation for the cost per deputy. He further explained how the City wanted to contract for two FTE (full-time equivalency) officers and use the other funds for a city employed public safety officer; however, the County would not allow less than three FTE for the contract. Discussion continued on how other portions of the negotiations were handled by the County that seemed nonnegotiable and how this process sets precedence for future contract negotiations.

Councilmember Francis added that he would like for the City to also look at the Fire District and the costs for annexation of the City into the Fire District. He noted that Chelan has done this and he feels that it has worked well for them. Mayor Larsen stated that the City did provide the fire services in the past and it could be looked at again for the future.

Councilmember Francis noted his concern with how the Sheriff staff was noticed for vacating the office at City Hall.

5. Council Open Discussion

Councilmember Farivar asked Council if they felt it would be appropriate to discuss the process for filling the upcoming vacant position for when she takes the Office of the Mayor and vacates her current Council position. Council discussed the past procedure of taking applications and noted that they could directly appoint Carolyn Wilson who ran for office this year and received a large number of votes. Other Council members thought that following the past procedure of taking applications might be more appropriate from a public perspective. Several members agreed that the voters spoke loud and clear during the election in the amount of votes that she received and felt it would be appropriate to appoint her if she was interested in the position. It was noted that there are other vacancies on the Planning Commission as well if people are interested in becoming involved.

Chamber of Commerce President Kevin Rieke spoke to the Council in regards to Administrator Walinski's involvement with the Chamber in attending meetings and answering questions for the Board. He said he is very thankful for his participation and looks forward to the continued relationship that has been positively built over the last year. Council briefly discussed the success of the recent lighting ceremonies and what appeared to have been a high number of visitors. President Rieke discussed some of the initiatives that the Chamber is moving forward with in 2012 and that the annual retreat would be done in early 2012 to discuss the different ideas for new festivals and continuing with the success of current festivals.

Council then discussed an email that was generated from the Summer Theatre in regards to some issues with the buses and coordination for parking, bus exhaust fumes, and movement of people over the last

weekend. They discussed how the City cannot reserve specific parking for patrons attending events at the Festhalle and that the City directed the buses to park near the Festhalle to be easy access for the snow train visitors quick departure after the lighting. Councilmember Meyer noted the need to look into a posting of signage by the Summer Theatre that was attached to the pointy people.

Councilmember Francis stated that Projekt Bayern had their recent meeting and did approve up to \$100,000 for the request for the Gazebo refurbishment. He also added that they approved the funding of \$50,000 for the lease agreement of the warehouse property that needs to be finalized.

Councilmember Lak spoke to the need to move forward with financing a sign for the Cemetery that he suggested should be paid for out of the Endowment Fund. Administrator Walinski noted that it could be incorporated in the 2012 budget. Council discussed the potential to borrow and pay back the funds to the Endowment Fund.

Councilmember Molohon announced that the Barn Beach Trust has officially changed the name to the Wenatchee River Institute which will help to ensure future contributions from the Icicle Fund, a major contributor. He said that Councilmembers could expect a letter soon explaining the need for the transition. He also noted that the name for the Icicle Creek Music Center has changed to the Icicle Creek Center for the Arts and that they will be breaking ground next spring on the new \$4 Million Performing Arts Theatre.

Administrator Walinski briefed the Council on the recent visit from the IRS noting that Staff has reviewed all of the City tax payments and is preparing to request a hearing.


Councilmember Farivar updated the Council on recent discussions with Pat Stout and Mona Blight of the Icicle Irrigation District pertaining to the use of its water rights. She explained that the District does not utilize all of its rights and has recently been discussing with the Department of Ecology the possible loss of unused rights. There is a potential ability to sell or assign the rights to another entity that they would like to discuss with the City. She is planning to schedule a meeting with them and Administrator Walinski to explore the options in early January after the City receives the summary judgment. Public Works Director Dave Schettler added that he has been approached by Trout Unlimited to fund a study for more in stream water use for the fish habitat for long range goals that could put water back into Chumstick creek. This discussion could involve the City and the Icicle and Cascade Irrigation Districts to explore efficiencies for increasing the in stream water flow.

Study Session adjourned at 11:32 a.m.

APPROVED


Elmer Larsen
Mayor

ATTEST


Chantell Steiner
Finance Director/City Clerk