

LEAVENWORTH CITY COUNCIL

**Study Session Agenda
City Hall - Council Chambers
July 12, 2011 9:00 a.m.**

9:00 – 9:45 Executive Session RCW 42.30.110 (1)(i)(A) Litigation - Joel Walinski

The Council will be provided an update on a current litigation issue with the Department of Ecology.

9:45 – 10:15 Quarterly Update Future Council Agenda Items / Project Tracking / Permitting Activity – Staff

This information is provided behind the study session agenda for the Council to help keep members abreast of the initiatives the City has underway. It is not meant to be all inclusive, but it does provide an update on a multitude of projects, efforts, and programs underway. There are three tracking documents which are included for the Council review at this time:

1. Future Council Agenda Items
2. Annual Objective and Project Tracker – July 2011 Update
3. Permitting Activity-Building, Design, Sign Permits – Quarterly Update

Also included is a “Welcome New Business Owner!” flyer developed by staff of the Development Services Department. The intent of the handout is to inform new business owners and expand upon what helps keep the City’s Old World Bavarian Theme, a vital element to Leavenworth’s economic vitality. The flyer provides some very basic and general information deemed to be helpful to new business owners.

10:15 – 10:25 Quarterly Budget Amendment – Chantell Steiner

Included in this quarterly budget amendment, located in section 7, is an adjustment to reflect the total anticipated revenues from the Leavenworth Transportation Benefit District for residential street projects that will be implemented later this summer.

10:25 – 10:35 Staffing Update – Joel Walinski

This is an update on the current staffing changes. The positions of Economic Development/Community Services Director and Permit Coordinator positions will not be filled at this time. We do have a need for administrative assistance and data/records management assistance. This would include assisting the Public Works Director in project records management and communications, developing minutes for Council Meetings and Study Sessions, assisting with public correspondence/communications both hardcopy, electronic, and web centered and assistance with special projects.

10:35 – 10:40 Public Works Trust Fund Applications – Joel Walinski

The Council will be asked to approve resolutions, located in sections 5 and 6, this evening for two Public Works Trust Fund competitive low interest loans for award in Fiscal year 2013. Those projects are the Front Street Reconstruction Project from Division to SR2 Intersection and East Leavenworth Transmission Main. The resolutions are necessary at this time because of the relatively short turnaround time for these applications. The program announced the application period open the last week in June and the scheduled closing date is July 21, 2011. The City will need to provide a 10% match which could be provided through the Utility Fund if either of these projects are awarded funding.

The Front Street Project request is only for the replacement of utility infrastructure which would include sewer, water and stormwater. The overall cost of this project at this time is \$1.5 M. \$800,000 in construction cost was awarded by TIB last fall. The utility cost estimates for this project are currently being developed. This project should score high having already been awarded both P WTF funds for engineering and TIB funds for construction.

The East Leavenworth Transmission line project is the replacement of the existing water transmission from SR2/East Leavenworth intersection to approximately the City Boat Launch Area. The estimated project costs at this time are \$600,000. This project should score high because of the health and safety aspects of a failing water transmission line.

10:40 – 10:55 Payment Plan for Utility Connection Charges – Joel Walinski

This item is a discussion on establishing a utility payment program to aid new homeowners to connect to City water and sewer utilities. This item was initially discussed in November of 2010 at the time the City Council reviewed the 2011 Fee Structure. In developing a program, the \$2,466 to \$3,710 required for the “Buy-In” charge could be spread out over several years which would encourage, aid and ensure new homeowners connect to water and/or sewer utilities. In regards to the “Buy-In” charge amounts, these are currently being reviewed and studied as part of the Utility Rate Fee Study which will be initially presented to the Council in August or September.

In looking at developing a utility payment plan, the City does need to be careful in crafting the procedures regarding public credit. The State of Washington has language within the State Constitution that strictly prohibits the gifting or lending of public funds:

No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm, or become directly or indirectly the owner of any stock in or bonds of any association, company or corporation.

A program option may be available if the focus of the program goal is a means to encourage, aid and ensure homeowners connect to City water and sewer utilities where available to help protect the groundwater recharge and help the City in achieving clean water standards. Since a large

percentage of the City's water supply is through the groundwater supply, protecting this resource is a critical goal of the City. The program would assist the City in achieving this goal.

Program Outline:

- a) The program would be limited to customers requesting ¾ - inch single family residential water service or residential sewer utility hook-up. Customers requiring services in excess of a ¾ - inch single family residential service would not qualify for the program.
- b) The program would allow a credit to the homeowner for the utility connection charge and having them agree to the amortized amount being added to the utility billing as a utility surcharge.
- c) The application would be made upon forms furnished by the City and approved or denied by the City Administrator or his designee. Appeals of the determination of the City Administrator or his/her designee would be to the Leavenworth City Council. The City Council's decision would be limited to determining whether the applicant meets the qualifying criteria established by this ordinance. The decision of the City Council would be final.
- d) As a condition of approving such application, customers would be required to authorize or consent to a lien for the amount of the Utility Connection Charges with interest and such lien will be recorded with the County Assessor in accordance with RCW 25.67.200. Payment of the lien shall be required on the sale or refinance of the property.
- e) An additional part of the program could be to provide a deferral for seniors or disabled until the sale or refinance of their home.

The Council is being asked to provide comment and direction before the City expends additional attorney and staff time on developing a utility payment program.

10:55 – 11:05 Approval of MEND Request for \$25K from Affordable Housing Surcharge Funds – Joel Walinski

The Council will be asked to approve the allocation of \$25,000 from the fund balance of Affordable Housing Surcharge Funds to the Upper Valley MEND organization to be used on the Titus-Chumstick Affordable Housing Project. Funds from the Affordable Housing Surcharge Fund are collected as an added \$10.00 per recording and Leavenworth receives 6% of this charge for every filing fee transaction for Chelan County. The City receives on average \$6,888 with the last two-year average being \$5,260. The current fund balance is \$38,896 and the City estimates an additional \$2,500 this year and \$5,500 for 2012 for a grand total of about \$47,000. The restrictions on the expenditure of funds are outlined in HR 2060 and RCW 36.130.020 which does provide the City the authorization to provide funds to the Upper Valley MEND Project. The RCW also allows the City to place stipulations on the use of funds or conditions for the use of funds. In discussing the aspects of approving the requested funding, the Council may also want to identify conditions on the use of these funds or conditions on the design of the project as allowed. As added information for this discussion, the following are provided as attachments located in section 3 of the packet:

- November 19, 2010 Letter of Request, Upper Valley Mend
- June 10, 2011 2060 Fund Request, Upper Valley Mend

- 2002 House Bill 2060
- RCW 36.130.020 Restrictions on affordable housing development requirements
- Chelan County/City of Leavenworth Inter-local agreement on Affordable Housing Surcharge
- Affordable Housing Surcharge Revenues/Expenditures

11:05 – 11:20 Council Open Discussion

This time slot allows for Council discussion of items not on the agenda.