

LEAVENWORTH CITY COUNCIL MINUTES

March 22, 2011

Mayor Robert Eaton called the March 22, 2011 Leavenworth City Council meeting to order at 6:00 p.m. and led the City Council in the Flag Salute.

ROLL CALL

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

Staff Present: Joel Walinski, Connie Krueger, Chantell Steiner and David Schettler.

APPROVAL OF THE CONSENT AGENDA

Mayor Eaton moved to amend the consent agenda striking the public hearing on the interim control Ordinance 1387 for the sign code, striking Ordinance 1389 for the Adoption of the Findings of Facts, and adding motions to cancel the public hearing, rescind Ordinance 1387, adding Ordinance 1390 Adopting the New Sign Code Interim Controls, Ordinance 1391 Adoption of Finding of Facts for Ordinance 1390, and a motion to set a Public Hearing Date for the New Interim Sign Controls for April 12th. Mayor Eaton also added action item #8 for the fees involved with the special use permit for the Chamber.

Mayor Eaton asked for a motion to approve the consent agenda as follows:

Consent Agenda:

1. Approval of Agenda
2. Approval of March 8, 2011 Study Session Minutes
3. Approval of March 8, 2011 Regular Meeting Minutes
4. Claims \$93,792.37

Councilmember DeVries motioned to approve the Consent Agenda as amended. The motion was seconded by Councilmember Farivar and passed unanimously.

PUBLIC SAFETY REPORTS

Lieutenant Bruce Long provided the Council with the Chelan County Sherriff's annual report. Mr. Long was not able to stay and review the report with Council due to other commitments. Mayor Eaton asked Council to review the report and if there were any questions to bring those forward at the next council meeting.

COUNCILMEMBER AND COMMITTEE REPORTS

Councilmember Meyer reported on the recent Link Board meeting. Mr. Meyer noted that there will be cuts in service throughout the system, increased fares, staff reductions, and modifications/possible eliminations to the DART and Trolley routes. He noted that public hearings will be held to help determine what will be reduced and/or eliminated. The local trolley system is planned for

discontinuation in October. Link officials posed the question to the City on whether it would take ownership of one or more of the trolleys. Councilmember Meyer noted that Administrator Walinski would look into this option further. Councilmember Meyer reported that the electric buses are on their way; 5 buses have been ordered.

Councilmember Farivar reported that the sales tax for the month of December was up slightly over last year and the lodging tax was up 5.46 % for the month of December, which she noted was an all-time high for a single month. The real estate excise taxes are significantly down this year due to the real estate market nationwide. Councilmember Farivar noted that the Finance Committee is reviewing options to aid in increasing the City's return on investments. She made comment that the Committee was proposing a budget retreat for April 27th, 2011. Mayor Eaton suggested reserving that day to begin no later than 8:30 a.m. and wrapping up by mid-afternoon.

Councilmember Larsen wanted to remind everyone that April 2nd is the free day to take metal to the transfer station. He also noted that the Residential Advisory Committee would not meet in April, although there is a town hall meeting scheduled for April 13th, 2011 at 7:00 p.m. located at the fire station. We want to bring residents up to date on the Transportation Benefit District, commercial recycling in the downtown core and time will be allowed for open discussion.

Councilmember Lak reported that Leavenworth WA, specifically the nutcracker museum, was one of the answers on the game show "Jeopardy". The clue was; In Leavenworth, Washington this museum has over 6,000 of these tools, some resemble toy soldiers. He also noted that the participant answered correctly.

Councilmember DeVries reported on the budget for the Chelan Douglas Health Board that included cuts of staff from 60 to 34 employees due to a lack of federal, state, and local funds. Councilmember DeVries also commented on the Japanese exchange program that has been in existence for 43 years in conjunction with Big Bend Community College. He noted that the college intends to bring 50 trainees to the US, and one of their stops includes lunch in Leavenworth. They tentatively plan on arriving in Leavenworth April 6th, at 12:00 p.m. Councilmember DeVries stated that he would appreciate the opportunity to introduce them to Mayor Eaton and Administrator Walinski.

MAYOR AND ADMINISTRATIVE REPORTS

Mayor Robert Eaton thanked City Staff, Projekt Bayern, Bill Lynn, and Mark Thorpe who have all been working diligently on the restoration and installation of the Cupola. It has been installed and looks fantastic. Mayor Eaton thanked the different entities for their efforts in coming up with the needed financial assistance. He also thanked Council Members and Staff for gathering and compiling the information needed for the newsletter. Mayor Eaton also stated that Andrei Goncharov from Russia was here for a full week, and a majority of his time was spent hosting. He also commented on the number of meetings he had attended regarding tonight's executive session in conjunction with the City's property acquisition.

City Administrator Joel Walinski noted that he had attended the tri-commission meeting. There were discussions being held regarding cooperative ventures. He noted that those organizations do spend time lobbying, and a few of those organizations have been dealing with public record issues and are

working to get the minimum penalty reduced. They are also trying to make sure that the Public Works Trust Fund remains intact. The final topic of discussion dealt with the licensing for medical marijuana. Suggestions had been made that separate counties or cities would uphold the licensing. The tri-commission would prefer to see this type of licensing be given to the liquor board, or a type of medical board, as opposed to a city or a county agency. Administrator Walinski also noted that the City has a couple individuals that are being trained to become notaries. He also noted that he met with Matt Fields, the city's web designer, for their first official meeting.

Community Development Director Connie Krueger commented on the large business licensing project that her department is undertaking. The city will determine if these business licenses are valid or inactive. Krueger also noted that business owners will be getting calls from the City to aid in creating a new valid record.

Finance Director Chantell Steiner reported on the state archives grant which has been completed, she noted that the city has received its hard drive which has all of the files, and is now located on our server. The public can access those records on the state archives website. Director Steiner noted that the state will be opening up a new grant application for 2011-2013. She will apply for another \$5,000 to finish off the rest of the ordinances, minutes and potentially resolutions. Director Steiner informed Council that out of the \$10,000 grant that was awarded to the City, only \$7,550 was used. The state does retain the remaining funds to reallocate in their next budget cycle.

Public Works Director Dave Schettler reported that two of our summer crew members are back and are in full swing of their spring operations. He also noted that the utility crew is looking at removing some trees in Waterfront and Enchantment parks. These trees may pose a threat to pedestrians. Director Schettler also reported that the Water Treatment Plant's computer failed last week, and had to be replaced. He noted that new updated software for the SCADA system was purchased as well to ensure that all of the important functions occur automatically. Director Schettler also noted that the city is in the process of exploring the idea of increasing our well capacity at our well field by doing some pump testing this spring.

Mayor Eaton commented on his absence during the last council meeting, he noted that because he was not present he would like to review the public policy. What happened last week was not a mistake in legal procedures. Mayor Eaton made the comment that these are public meetings for the City Council to get their work done; technically public comment is not required. He stated that although he believes in an inclusive government, procedurally what was done was not a mistake. Mayor Eaton also noted that he will continue to extend the courtesy and offer public comment on items but they will be limited to the 3 minute rule as identified in the Council procedures.

RESOLUTIONS, ORDINANCES, ORDERS, AND OTHER BUSINESS

1. Motion to Cancel the Public Hearing

Mayor Eaton reviewed the changes tonight based on comments previously received by staff, council and the public.

Councilmember DeVries motioned to approve Cancelling the Public Hearing. The motion was seconded by Councilmember Molohon and passed unanimously.

1. A. Motion to Rescind Ordinance 1387

Councilmember Molohon motioned to Rescind Ordinance 1387. The motion was seconded by Councilmember Lak and passed unanimously.

1. B. Ordinance 1390 Adopting New Sign Code Interim Controls

Councilmember Devries motioned to approve Ordinance 1390 Adopting New Sign Code Interim Controls. The motion was seconded by Councilmember Meyer. Mayor Eaton then opened this item up for discussion.

Director Krueger noted that during the last meeting, City Council had asked that city staff incorporate some of the comments that were made at the meeting into the interim controls. There were a variety of items that came from the public, Director Krueger stated that some of those items were too complex to deal with interim control, and our attorney has been asked to weigh in on some of the other issues but have had no response as of yet. Director Krueger also reviewed specific questions asked by Councilmember Farivar relating to prohibited signs, specifically pertaining to real estate signs. Councilmember Farivar questioned the enforcement procedure with regard to those organizations that have been using sandwich boards for years in the right of way. Director Krueger noted that contact would be made and dialogue would take place to help locate a better placement.

Councilmember Larsen stated that if the city is going to prohibit these types of signs then something needs to take place to help facilitate different events, and allow temporary signage to be approved in a minimal amount of time. Director Krueger stated that the city does have provisions in place to handle things administratively for temporary signage. Mayor Eaton noted that we are a unique community, he does not like to see sandwich board signs placed around town, and we need to maintain our uniqueness. He stated that we have a lot of creative people here that can help in maintaining our uniqueness. He noted that we have the ability to accomplish the needs of all constituents.

Steve Demarest – Der Hinterhof: Mr. Demarest questioned the Council on their progress of designating sign areas. Mayor Eaton replied that Designated Sign Areas are on the agenda for tonight's meeting. Mr. Demarest commented on hearing the Mayor say that the city was not going to enforce the code against real estate open house signs. Mayor Eaton responded that the use of real estate signs will need to comply with the new sign code. Mr. Demarest stated that two weeks ago the city had the phrase included on Bavarian fonts, graphics and colors. Demarest noted that the city has corrected the verbiage on Bavarian colors, but what about the graphics and fonts? He then asked if he was to submit a sign with a non Bavarian graphic would it be allowed under the code. Director Krueger responded that it would be allowed if the Design Review Board approved it. Mr. Demarest asked the Council about sign kiosks that were previously discussed to support the businesses off of the Front Street corridor. He asked if that was no longer in the works. Director Krueger noted that the funding for the kiosks had been removed by the Council from the 2011 budget.

Matt Erickson – Wenatchee: Mr. Erickson asked the Council on specifics for several items regarding temporary signage. Director Krueger clarified that the city is trying to create conformity and equality for all temporary signs.

Lynn Reppas – Leavenworth: Mrs. Reppas reported that she was concerned about the 1/3 window space. She stated that there is nothing specific about the size of signs, or how many signs. Mrs. Reppas said that it seems like windows can get trashed very quickly. Director Krueger stated that this is an area of the code that is being looked at to ensure equality for everyone.

Councilmember DeVries stated that it is the total sign that is being looked at, it is not the graphics itself, everything needs to be reviewed for Bavarian conformity. Further discussion ensued on use and design of entity logos.

Councilmember Farivar questioned Director Krueger on political signs and the time limit therein. Director Krueger reviewed political free speech, and a short discussion took place regarding signage for political elections. Mayor Eaton noted that the city must conform to what is in place at the state level regarding the time frame in which the signs can be placed.

Jeff Parsons – Barn Beach: Mr. Parsons expressed his gratitude to the Council, and staff on the expansion of an allowable sign to 32 ft, the previous limitation of 6 square feet was a very burdensome restriction. Mr. Parsons also asked if those size restrictions are applied to each individual business. Director Krueger noted that she would discuss this in more detail with him directly. Mr. Parsons stated that they have designed a logo for their Think Local First campaign. The logo has Bavarian lettering, and we have added Edelweiss to it. Mr. Parsons asked if the logo would be allowable in businesses. Director Krueger noted that they would likely be allowed. Mayor Eaton suggested that Mr. Parsons talk to the staff and the Design Review Board.

Steve Demarest stated that since portable signs are allowed on site now, he wondered how many he can have and how big they could be. Director Krueger stated that she did not have a response for him at this time as she would need to review the code. Mayor Eaton reiterated to the public that this is an interim control which is a work in progress.

Councilmember Larsen motioned to amend the original motion to strike the words “black” in 14.10.070 M.2. The motion was seconded by Councilmember Lak and passed unanimously.

Councilmember DeVries motioned to approve Ordinance 1390 Adopting New Sign Code Interim Controls as amended. The motion was seconded by Councilmember Meyer and passed unanimously.

1. C. Ordinance 1391 Adopting Finding of Facts for Ordinance 1390

Councilmember DeVries motioned to approve Ordinance 1391 Adopting Finding of Facts for Ordinance 1390. The motion was seconded by Councilmember Lak and passed unanimously.

1. D. Motion to Set Public Hearing Date for Sign Code Interim Controls at 6:15 on April 12

Councilmember Lak motioned to approve the Setting of a Public Hearing Date for Sign Code Interim Controls at 6:15 on April 12. The motion was seconded by Councilmember Molohon and passed unanimously.

2. Resolution 3-2011 Establishing Designated Sign Areas

Director Krueger reviewed specific locations of the Designated Sign Areas. Further discussion ensued on how to post and what would be allowable to post. Director Krueger also noted that discussions occurred about putting rocks to mark the corners of the Designated Sign Areas, as well as placing some type of signage indicating what the rules were. She stated that more time was spent trying to figure out where we could place these designated areas rather than marking them.

Mayor Eaton commented that he would like to remand back to the Finance Committee to see if we can find money for the kiosk with the European feel that we could place in the downtown core.

Councilmember Farivar motioned to approve Resolution 3-2011 Establishing Designated Sign Areas. The motion was seconded by Councilmember Molohon and passed unanimously.

3. City/Chamber Agreement for use of Lodging Taxes

Administrator Walinski stated that the Council is being asked to approve a contract agreement with the Chamber. The only thing that has been added since the study session is the applicable RCW. He also noted that the 3-year contract is held at 18.50% of the previous year's revenue from the lodging tax funds.

Councilmember DeVries motioned to approve the City/Chamber Agreement for use of Lodging Taxes. The motion was seconded by Councilmember Meyer and passed unanimously.

4. Engineering Projects List for use of Public Works Trust Fund Engineering Loan Funds

Administrator Walinski stated that the City Council is being asked to approve the engineer projects list for use of the remaining Public Works Trust Fund (PWTF) dollars. It has been about 2 years since we have had the trust fund loan and there are a number of projects on the list. Administrator Walinski stated that the city has reviewed the costs of each of the projects with the Downtown Steering Committee and the list presented this evening is the recommendation for approval. Administrator Walinski noted that the project list comes to a grand total of \$397,500. Of the original \$1M loan, the City drew \$750,000 and has allocated approximately \$300,000 to date. The City is requesting an extension of 18 months to expend the funds and any remaining dollars would either be utilized for the current projects or returned to the PWTF. He reminded Council that the City was able to extend the payback of the loan from 5 years to 20 at an interest rate of .5%. He added that the PWTF loan can only be used for engineering and architectural work, and the geographic area is defined to the downtown core. He also stated that if the Council approves this project list that city staff will begin requesting proposals for engineering services for each of the projects listed.

Councilmember Larsen would like to reiterate the importance of educating residents on the details of the PWTF loan. He would like people to be made aware that these monies are reserved for the downtown area per the regulations of the loan as when it was received by the City.

Administrator Walinski reviewed the several different projects and listed them as follows: Front Street Reconstruction, Commercial Street Rehabilitation, Alley Reconstruction, and Main Street Reconstruction. Detailed information that revolves around each of these projects were discussed by Administrator Walinski and also included in the Council packets.

Councilmember Lak motioned to approve the Engineering Projects List for use of PWTF Engineering Loan Funds. The motion was seconded by Councilmember Molohon and passed unanimously.

5. Motion for Pre-Application Fees on Commercial Projects

Administrator Walinski reminded Council of the previous discussions on the pre-application fees for commercial projects and identified 3 options for amending them. The options include making no changes, removing the fees entirely, or designing a hybrid on the current schedule that builds in a credit to applicants that move forward with projects. Administrator Walinski noted that in 2009 the City collected \$5,000 in pre-application fees and in 2010 it collected \$3,350.

Councilmember DeVries identified his suggestion for a revised fee schedule that starts the rate at \$250 for multifamily residential (5 units or more) for simple projects and going up in increments of \$250 each for semi-complex and complex.

Councilmember Lak questioned out of the money that we collected last year in pre-application fees, how many of those moved forward? Director Krueger replied that her guess would be that over the last five years that 90% or greater moved forward with their projects. Discussion ensued on the entire pre-application process. Director Krueger stated the reasoning for the detailed analysis of the project; she added that the city is trying to simplify the process so applicants have all of the information that they need in front of them. Mayor Eaton suggested that staff put together a workshop for Council to help them understand the entire application process.

Councilmember DeVries motioned for consideration to move forward with the revised fee schedule and allowing the fees collected to be issued as a credit towards future permits if the project moves forward. The motion was seconded by Councilmember Farivar and passed 6-1 with Councilmember Larsen opposed.

Councilmember DeVries motioned to break for five minutes. The motion was seconded by Councilmember Farivar and passed unanimously.

6. City Organization / Departmental Restructure

Administrator Walinski stated that the Council is being asked to consider the approval of the structural reorganization. He reviewed the recommended organizational structure along with the new roles and responsibilities for the Economic Development Community Development Director, the Development Review Services (DRS) Manager, and the Building and Code Inspector 2.

Councilmember Farivar noted that she would like to see the DRS Manager attend future study sessions and possible council meetings. Administrator Walinski stated that he had prior discussions with Nate Pate regarding his attendance at quarterly study sessions as well as attending council meetings when an item on the agenda pertains to his department. Walinski also noted that he has plans of implementation as of April 1, 2011.

Councilmember DeVries motioned to approve the Organizational Departmental Restructure. The motion was seconded by Councilmember Lak and passed unanimously.

7. City Attorney Discussion

Administrator Walinski reported that Terry McCauley had issued his resignation with the City after 38 years effective June 1st. He noted that this will be an interesting transition; this role is a very strategic role and also carries a lot of responsibility. Mr. Walinski stated that the City could go through a Request for Proposal (RFP) process, although, because it is a professional service the City has flexibility on what the RFP process is.

Mayor Eaton recommended that staff and council identify two or three firms and invite them for a presentation. Councilmember Larsen noted that he would like to rely heavily on Terry McCauley's suggestions and recommendations. Administrator Walinski noted that Terry would be returning to the meetings in April. Councilmember Farivar noted that she would like to see Terry attend the selection committee as well or somehow consult with us through the selection process.

8. Special Use Permit (SUP) Chamber Fees

Councilmember DeVries commented on the SUP applied for by the Chamber. He recommended that the \$280 SUP fee be paid for out of the group lodging tax funds. DeVries noted that this event in which the Chamber is hosting is a community event. Councilmember Larsen stated that the Council needs to look at events that are not for profit, and consider waiving those fees. Mayor Eaton cautioned the Council that it needed to be careful in setting a precedent.

Councilmember DeVries motioned to approve payment of the Special Use Permit Chamber Fees from the City's Lodging Tax Group Funds. The motion was seconded by Councilmember Molohon and passed unanimously.

INFORMATION ITEMS FOR FUTURE CONSIDERATION

Director Schettler stated that management interviewed the two applicants for the utility rate study and will be bringing their recommendations to Council soon.

COMMENTS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA

Bill Lynn – East Leavenworth Road: Mr. Lynn thanked Director Schettler and those involved for all of the work on the Cupola. Mr. Lynn also commented on the Cupola committee's efforts in trying to get history together for the public presentation. Mayor Eaton informed Mr. Lynn that Terry McCauley has family that has been involved with the Cupola and suggested involving him on the cupola presentation.

Councilmember Meyer reported that three years ago Project Bayern committed \$2,500 to the Cupola project; of that \$2,500 half has been spent. Larry reminded Mr. Lynn that the remaining money is still present for their project, which will help eliminate some of that financial burden. Councilmember Meyer also reiterated the long-term funding that is going to be needed for this project. Mr. Lynn also thanked Administrator Walinski and the Council for putting together the chamber contract, as well as donating the \$280 Special Use Permit fee to the Chamber.

EXECUTIVE SESSION

Mayor Eaton announced that Council was going to enter into executive session at 8:27 p.m. under RCW 42.30.110 (1)(b) to discuss public property acquisitions for approximately thirty minutes, with no action to be taken.

Councilmember DeVries moved to enter into executive session for approximately thirty minutes to discuss public property acquisitions, with no action to be taken. Councilmember Lak seconded the motion, which passed unanimously.

Councilmember Molohon moved to reconvene the meeting at 9:10 p.m. The motion was seconded by Councilmember Lak and passed unanimously.

ADJOURNMENT

Seeing no other business, Councilmember Meyer motioned to adjourn the March 22, 2011 meeting of the Leavenworth City Council. The motion was seconded by Councilmember Molohon. The motion passed unanimously.

The meeting adjourned at 9:10 p.m.

APPROVED

Robert Eaton
Mayor

ATTEST

Chantell Steiner
Finance Director/City Clerk