

MINUTES OF THE 7/24/08 REGULAR CITY COUNCIL MEETING
135 East Johnson Avenue, Chelan, Washington

PRESENT: Mayor Pro-tem Harper; Councilmembers Cooney, Greenfield, Morehouse, Morse, Papé-Miller, Weldy; City Clerk Liles; Finance Director Grant; Planning & Community Development Director Gildroy; Parks & Recreation Director Sablan. **ABSENT:** Mayor Goedde.

Harper called the meeting to order at 7:00 p.m.

CONSENT AGENDA

Cooney moved to approve the consent agenda as follows:

1. Approve Payroll Warrants No. 29106 through 29227 totaling \$166,290.53 and Claims Warrants No. 70566 through 70687 totaling \$378,524.62;
2. Approve Minutes of the 7/10/08 City Council meeting, as presented; and
3. Acknowledge receipt of the 1st & 2nd quarter 2008 financial reports.

Seconded by Weldy, motion passed unanimously.

PUBLIC INPUT

SPECIAL EVENTS: Scott McKellar, 119 Water Street, praised organizers of the “Chelan Man” event that took place July 18 through 20, saying it was a well organized, wholesome and successful event involving approximately 3500 people. McKellar recommended that in the future a city official serve as host for large events to welcome participants and thank organizers. McKellar also recommended that participants receive a “Welcome to Chelan” information packet.

RECYCLING: Nancy Coogan, Tacoma, said she tries to recycle while visiting her timeshare at Peterson’s Waterfront Resort, but finds it difficult because there is no curbside recycling service. Harper explained that the City ended its curbside recycling program several years ago because it wasn’t cost effective. Cooney reported that the Council Sustainability Committee is looking into reinstating curbside service. Weldy said that the increased efficiency of the City’s new automated refuse system should free manpower for improved recycling services. Morehouse explained that Chelan is a small town losing money on its recycling program and the City is trying to keep utility fees low for its residents. Morehouse suggested that Coogan ask her resort manager to haul guests’ recyclables to the recycle center.

AQUATICS CENTER FUND RAISING: Mike Sherer, 48 Dietrich Road, reported that there will be a dunk tank at the First Friday event on August 1 to raise funds to help pay for the proposed study to determine the best location for a community aquatics center. Sherer said that several notable persons have volunteered to take the plunge, and he was disappointed to see that Mayor Goedde was absent from this meeting as he’d intended to “put the squeeze” on him to volunteer.

Morse said that because he is unable to participate in the dunk tank event, he has contributed \$100 to the fund. Morse urged other Councilmembers to also contribute.

VISITORS

COMMUNITY SOLAR PROJECT: Papé-Miller introduced Jim White, explaining that White is an employee of the Chelan County Public Utility District (PUD) but present at this meeting as a private

citizen advocating the use of solar power. White reported that the PUD Board will be meeting at 1:00 p.m. on August 4 to discuss the Integrated Resource Plan (IRP), which does not include solar power. White explained that the meeting is open to the public and the PUD is soliciting input before approving the existing IRP recommendations. Papé-Miller urged those favoring the use of solar power to attend the meeting or to at least write a letter asking the PUD to consider including solar power in the plan.

White announced that at 7:00 p.m. on August 7 at the Barn Beach Reserve in Leavenworth he would be presenting information from a recent fact finding trip to Germany where employees of several public utilities traveled to find out how the Germans are integrating large scale renewable energy resources into their environment. White briefly described some of their findings.

Gary Nystedt, City of Ellensburg Resource Manager, described Ellensburg's community solar electric project, which converts solar energy into electrical power for use in homes and businesses. Nystedt said that the City of Ellensburg wants to know what interest other Washington utilities and/or communities have in developing community solar projects. Nystedt reported that the Solar Energy Power Association, the Bonneville Environmental Foundation, the Bonneville Power Administration and the Northwest Solar Center are assisting Ellensburg in developing materials that other sustainable communities can use. Also, several Washington legislators and senators have expressed an interest in legislation that would qualify utility/community owned solar projects for Washington's State Solar Production Credits. Nystedt shared his recommendations and observations about community solar projects, and he predicted that as demand for solar power grows, the cost will significantly decrease and the technology will rapidly improve.

Papé-Miller provided a sign-up sheet for anyone who wanted additional information or was interested in participating a Chelan Community Solar Project.

REGULAR AGENDA

LORD ACRES SUB-AREA PLAN: Gildroy provided a progress report on the Lord Acres Sub-area planning process, including three potential land use scenarios identified by the steering committee. Gildroy described the preferred alternative, which would maintain the Special Use District (SUD) with modification of code definitions, separate out the single-family area on the western edge of the sub-area that is only partly in the SUD, and add buffers between non-compatible uses in the SUD zone. Gildroy reported that work on the traffic and utility elements of the plan is underway. When a draft sub-area plan is ready, it and proposed implementing regulation changes will be sent out for a sixty day agency review in preparation for Planning Commission and City Council public hearings and eventual adoption.

B.C. MCDONALD'S REQUEST TO ENCROACH: Gildroy reported as follows. Brent McDonald, owner of B. C. McDonald's restaurant, is converting the second floor of the restaurant building into twelve hotel rooms. The project proposal includes hotel room balconies off the south and west sides of the building. The balconies on the south side would encroach into the required five foot rear yard setback, leaving an approximate one foot setback. The west balconies would encroach approximately four feet over a pedestrian alley located within the boundary of Riverwalk Park. The alley is owned by the City and leased to the Public Utility District (PUD), which owns the park. Because the PUD does not permit encroachment of park boundaries, an adjustment of park boundaries would be required to install balconies on the building's west side. It is being proposed that the park boundary be relocated to the southern edge of the east-west alley located behind B. C. McDonald's. The PUD has suggested certain improvements within the park boundaries as compensation for the adjustment.

Ron Coulter, the project architect, provided additional information. Coulter and Gildroy answered Council questions, and there followed brief discussion. **At Gildroy's recommendation, Weldy moved to instruct staff to continue negotiations with Chelan County Public Utility District and Brent McDonald for adjustment of Riverwalk Park boundaries, related compensation, and encroachment of City owned property in conjunction with the B. C. McDonald's renovation project. Seconded by Papé-Miller, motion passed unanimously.**

COUNTRYWIDE HOME LOANS' REQUEST TO TERMINATE LEASE: Council was informed by written comments from the City Administrator that Countrywide Home Loans, now owned by Bank of America, had proposed a buyout of its lease of City Hall space. Specifically, Countrywide proposed to terminate the lease on July 31, 2008 and pay the City \$2500. In January 2007 Countrywide and the City entered into a one year lease agreement with option for two one year extensions. Later in the year, the lease was amended at Countrywide's request to extend the term for a one year period commencing February 1, 2008 and expiring January 31, 2009. It is the opinion of the City Administrator and City Attorney that Countrywide should honor the full term and conditions of the lease amendment and pay the \$1,330.25 monthly rent through January 31, 2009.

Council was also provided a copy of City Attorney Galbraith's memo dated July 11, 2008, stating that in order to terminate the lease, Council would need reasonable justification for accepting less than what would otherwise be due. Harper explained that terminating the lease without this justification would amount to an illegal gifting of public funds. There being no discussion, **Morse moved to reject Countrywide Home Loans' proposed buyout of its lease with the City and to authorize staff to advise Countrywide that it must honor the full term of the Lease Amendment expiring January 31, 2009. Seconded by Morehouse, motion passed unanimously.**

LOWER LAKE CHELAN BASIN REGIONAL PLANNING: Gildroy provided a status report on the Lower Lake Chelan Basin regional planning effort, advising that Washington State Community Trade and Economic Development had awarded Chelan County a Local Government Division Competitive GMAPanning Grant. The County then hired the planning firm Maul Foster Alongi to conduct the regional planning effort as specified in the grant application. A steering committee was formed and an open house held to inform stakeholders and the general public. Gildroy provided Council with a copy of the CTED grant application and two documents prepared by Maul Foster Alongi entitled "Alternate Conceptual Visions" and "Visions and Goals." Gildroy explained that it is important for Council to be well informed in order to protect the interests of City of Chelan residents in this planning process.

At Gildroy's request, **Morehouse moved to schedule a special joint City Council/Board of County Commissioners meeting at 6:00 p.m. on Thursday, August 14, 2008, in Chelan City Council Chambers for a presentation by Maul Foster Alongi on the Lower Lake Chelan Basin regional planning effort. Seconded by Papé-Miller, motion passed unanimously.** Papé-Miller urged Councilmembers to attend the related open house preceding the special meeting.

BUDGET AMENDMENT/BID AWARD FOR UTILITY & GOLF CART PURCHASES: Sablan requested approval of an increase in the Parks & Recreation capital expense budget in the amount of \$14,138, including \$1,188 for sales tax on the purchase of three utility carts and \$12,950 to cover a cost overrun on the replacement of thirty golf carts. Explaining the amendment for sales tax, Sablan stated that the vendor considered the utility carts to be "golf carts" and therefore tax exempt, but staff deemed it prudent to pay the taxes because the carts were not listed as "golf carts" on the itemized invoice.

In regard to the golf cart overrun, Sablan stated that when budgeting, staff estimated the cost of the cart replacement based on cart purchases in prior years rather than getting price quotes from dealers. Farwest Sales was the sole respondent to the City's call for bids to furnish thirty golf carts, and their bid exceeded the approved by budget by \$12,950. At the recommendation of Sablan and the Finance Committee, **Morse moved to authorize an increase in the Parks & Recreation capital expense budget in the amount of \$14,138 to pay for sales tax on the purchase of three utility carts and the cost overrun for replacement of thirty golf carts and to award the bid for purchase to Farwest Sales. Seconded by Morehouse, motion passed unanimously.**

There followed brief discussion concerning the possibility of saving fuel costs by switching to electric golf carts. Weldy asked Sablan to try to get a demo from an electric golf cart dealer, track its use and

report results back to Council. Papé-Miller pointed out that using certain fuel additives in all city vehicles, including golf carts, would reduce fuel consumption immediately.

BUDGET AMENDMENT - CLUBHOUSE FOOD CONCESSION AREA IMPROVEMENTS: Sablan requested an increase in the budget for cleaning, repairing and improving the golf course clubhouse food concession area. Sablan explained that once work was underway, it became apparent that the initial assessment of the concession premises was insufficient and incomplete. Unforeseen problems surfaced and had to be addressed immediately in order to open the restaurant on April 9 as planned. Sablan presented an itemized list of additional expenses, noting that most were health, safety or building code compliance issues not covered by the initial budget of \$9,830. At the recommendation of Sablan and the Finance Committee, **Cooney moved to amend the Parks & Recreation capital improvement fund in the amount of \$19,555 to pay for improvements to the golf course club house food concession area. Seconded by Morehouse, motion passed unanimously.**

2008 BUDGET AMENDMENT: Grant presented a proposed ordinance to amend the 2008 budget, explaining that since the budget was adopted, Council had approved several expenditures requiring budget adjustments and other adjustments were needed to address unforeseen circumstances. Grant then reviewed the proposed adjustments. **Morse moved to adopt Ordinance No. 2008-1367 amending the 2008 budget and Ordinance No. 2007-1349 passed by the City Council on December 13, 2007, in order to appropriate monies from specified funds to other specified funds. Seconded by Cooney, motion passed unanimously.**

CHELAN SENIOR CENTER PROJECT: Weldy outlined the process for interviewing and evaluating the top candidates for provision of architectural/engineering services for the Chelan Senior Center replacement project. Weldy reported that the selection committee recommends Cal Jordan & Associates for the job based on that firm's background experience with senior center projects, its experience with the CDBG program, its overall knowledge of and approach to the Chelan Senior Center project and its familiarity with the Chelan community. **Papé-Miller moved to accept Cal Jordan & Associates to provide architectural/engineering services for the Chelan Senior Center Replacement Project and to direct staff to negotiate a professional services contract with Cal Jordan & Associates that conforms to requirements of the Washington State Community Development Block Grant Program and the U.S. Department of Housing & Urban Development. Seconded by Morehouse, motion passed unanimously.**

2008 STRATEGIC PLANNING RETREAT: Harper asked Council to either confirm the dates of the 2008 Strategic Planning Retreat as set in September 2007 or to reschedule the retreat. **Morehouse moved to confirm August 23 and 24, 2008, as the dates for the City's 2008 Strategic Planning Retreat. Seconded by Papé-Miller, motion passed unanimously.**

TENTATIVE AGENDA FOR THE 8/14/08 CITY COUNCIL MEETING

The tentative agenda for the August 14, 2008 regular City Council meeting was distributed to Councilmembers and news media representatives.

At 9:03 p.m Council meeting recessed to allow Councilmembers to participate in the regular meeting of the Lake Chelan Airport Board. Council meeting reconvened at 9:04 p.m. following adjournment of the Airport Board meeting.

COUNCIL REPORTS/COMMENTS

SOLAR POWER PRESENTATION: Papé-Miller thanked everyone for listening to the information on solar power presented earlier in the meeting, and she apologized that the presentation had to be made without a power point projector.

B.C. MCDONALD'S ENCROACHMENT REQUEST: Weldy said that if B. C. McDonald's request to encroach on public property is approved, a contract should be executed whereby the City would agree to maintain the subject property in exchange for a service fee to be paid by B. C. McDonald's.

RECYCLING: Cooney said he believes the City can and should encourage residents and visitors to recycle.

SISTER CITY: Harper reported that he and Mayor Goedde recently attended a festival in Oliver, B.C., Chelan's Sister City, and had a great time. Harper urged other Councilmembers to visit Oliver.

LAKESIDE TRAIL SECTION J/MICRO-PARK PROJECT: Morehouse reported that he had contacted the City Attorney and asked him to investigate the legality of the 7/10/08 Council motion authorizing the Mayor to enter into a Professional Services Agreement with Worthy & Associates.

Morehouse also reported that he had confirmed that there is no Lakeside Trail Section J mini-park in the Comprehensive Plan. Morehouse said he found Tricia Page's 7/21/08 letter to the Mayor, Council and PUD interesting, particularly her ideas about floating docks and non-motorized access. Morehouse recommended that the City forget about constructing the park as initially proposed and instead provide a number of floating docks for public use.

PUBLIC LIBRARY: Morehouse urged that the City move forward with improvements to the Chelan Public Library building.

PUMP FAILURE: At Morse's request, a Public Works Committee meeting was scheduled for 5:00 p.m. on July 31, 2008, at the Public Works Department office to discuss a pump failure that occurred on 7/11/08 in the area of Center Street.

JOINT COUNCIL/HOSPITAL BOARD MEETING: Harper reminded Council that a special joint City Council and Hospital Board meeting will take place at the Lake Chelan Community Hospital at 7:00 p.m. on July 31, 2008.

There being no further business, meeting adjourned at 9:20 p.m.

Prepared by:

Attested to:

Approved by City Council: August 14, 2008

Linda Allison-Liles
City Clerk

Robert R. Goedde
Mayor

