

MINUTES OF THE November 23, 2010 CITY COUNCIL MEETING
City Hall, 135 East Johnson Avenue, Chelan, Washington

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Goedde called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

2. OATH OF OFFICE

Mayor Goedde administered the Oath of Office to Wendy Isenhart, who Council appointed to vacant City Council position #4 on November 9, 2010.

3. ROLL CALL

Elected Officials Present: Mayor Goedde and Councilmembers Cooney, Harper, Isenhart, Lingard, McCardle, Morehouse, Morse. Absent/Excused: None.

Staff present: Administrator Reinbold, Attorney Galbraith, Clerk Liles, Finance Director Grant, Parks & Recreation Director Sablan, Planning & Community Development Director Gildroy, Public Works Director VanEpps, Sgt. Huddleston.

4. AGENDA CHANGES

Mayor Goedde noted that there were two scheduled recesses on this meeting's agenda, one to allow Council to participate in a special joint Council/Airport Board/Port Commission meeting (agenda item 7) and one to allow Council to participate in the regular Airport Board meeting (agenda item 13). The Mayor recommended that the special joint meeting and the regular Airport Board meeting be held concurrently during the first recess and that the second recess be cancelled. Council concurred.

5. CITIZEN COMMENTS

ROUNDABOUTS: Bob Eier, 433 East Nixon Avenue, read into the record his letter dated November 11, 2010, recommending against the proposed installation of a roundabout at the corner of Johnson and Saunders and instead making Saunders a through street to Gibson Avenue to create a route to Manson that bypasses the downtown area.

LAKESIDE TRAIL: Eloise Harle, Terrace Avenue, complained that the Lakeside Trail project wasn't well planned and can't be done for the estimated cost.

At Cooney's request, Van Epps provided a brief update on the project, saying that construction drawings for trail section "J" are nearly done and the next step will be to present the drawings to Council with a request for authorization to proceed. Van Epps added that the final hurdle will be acquiring the necessary shoreline permit.

6. CONSENT AGENDA

Lingard moved to approve the consent agenda as follows. Seconded by Cooney, motion passed unanimously.

- A. Approve Minutes: November 9, 2010 regular City Council meeting;
- B. Approve Claim Warrants: #75748 & 75791 through 75903 totaling \$484,255.03;

- Approve Payroll Warrants: #34874 - #34948 totaling \$124,493.65;
- C. Excuse Absences: Goedde, December 9, 2010 regular City Council meeting;
Morehouse, September 16 & 21, 2010 special City Council meetings.

7. RECESS

At 6:14 p.m., Council meeting was recessed to allow the Mayor and Councilmembers to participate in the regular meeting of the Lake Chelan Airport Board and special joint meeting of the Airport Board, City Council, and Port of Chelan County Commission. Council meeting reconvened at 6:48 p.m. following adjournment of the Airport Board meetings.

8. SPECIAL PRESENTATIONS

- A. **BOY SCOUTS:** Two scouts from Cub Pack #8 were in attendance as part of their work toward a merit badge. At the Mayor's request they introduced themselves and answered Council's questions.

9. PUBLIC HEARINGS

- A. **2011 BUDGET:** Mayor Goedde introduced a public hearing on the preliminary 2011 City of Chelan Budget by explaining the purpose and procedure of the hearing.

Grant provided the staff report, reviewing changes made to the preliminary budget since the last Council workshop and answering Council questions.

Discussion ensued with Councilmembers questioning certain items in the preliminary budget and advocating the inclusion of others. Morehouse recommended changing the budgeting process to include a retreat to consider budget requests

At 7:47 p.m., Mayor Goedde opened the public hearing and called for public comment.

Gloria Groves and Gary Sterner, representing the Library Advisory Board, reported that the Board plans to apply for a Community Development Block Grant to help fund expansion of the Chelan Public Library building on South Bradley Street. Groves and Sterner thanked Council for including \$10,000 in the 2011 budget for a grant writer and asked Council to set aside \$200,000 each year for the next few years to help pay for the project. Groves also pointed out the need for a sidewalk from Morgan Owings Elementary School to the Library.

There being no further public comment, the Mayor closed the public hearing at 7:53 p.m.

Lingard moved to add \$180,000 to the 2011 budget for a walkway from SR150 along Boyd Road to the Chelan Hills area. Seconded by Cooney, motion passed 4-3 with Lingard, Cooney, Isenhardt and McCardle voting aye and Harper, Morehouse and Morse voting nay.

10. ORDINANCES, RESOLUTIONS AND OTHER ACTION ITEMS

- A. **2011 PROPERTY TAX LEVY:** Grant stated that on November 9, 2010, Council held the required public hearing on revenue sources for the coming year and decided against increasing property taxes by the 1% allowed by law. Grant noted that this consideration is exclusive of additional revenue resulting from new construction, improvements to property, and annexations. Grant presented an ordinance to set the 2011 property tax levy as directed by Council, noting that the

regular levy will be \$1,080.732, which is an increase of \$25,148 over the 2010 levy, all from new construction and annexations.

There being no discussion, **Lingard moved to adopt Ordinance No. 2010-1412 setting the property tax levy to be collected in the tax year 2011. Seconded by Harper, motion passed unanimously.**

- B. **2010 AIRPORT BUDGET:** Grant explained that the airport's Joint Operating Agreement stipulates that budgets and budget amendments are to be approved by the City Council and Port Commission upon recommendation from the Airport Board. Grant reported the need to amend the 2010 airport budget to account for grants received from the Federal Aviation Administration and Washington Department of Transportation for the 2010 pavement maintenance project – one not to exceed \$150,000 (FAA) and one not to exceed \$2,993.55 (DOT) – along with the Airport's share of the project cost. In addition, Grant reported the following unanticipated expenditures that need to be included in the 2010 airport budget: the cost of a three-year audit, purchase of a mower deck, and purchase of a cloud level sensor as part of the AWOS system. Grant reported the total of these additional items as \$9,300. Grant further reported that the Airport Board has recommended these amendments.

There being no discussion, **Isenhart moved to adopt Resolution No. 2010-053 amending Budget Resolution No. 2009-1206, setting the 2010 budget for the Lake Chelan Airport and approving the funding of the proportionate share of the deficit by the Port of chelan County and the City of Chelan. Seconded by Cooney, motion passed unanimously.**

- C. **2011 AIRPORT BUDGET:** Grant reported that the Lake Chelan Airport Board recommends adoption of the 2011 airport budget as presented.

There being no discussion, **Isenhart moved to adopt Resolution No. 2010-054 approving the 2011 budget for the Lake Chelan Airport and approving the funding of the City of Chelan's proportionate share of the deficit. Seconded by Cooney, motion passed unanimously.**

- D. **LAKEVIEW DRIVE IN LEASE:** Reinbold reported as follows. The General Government Committee met with Michael and Jamie Mack in June to discuss the Macks' request for long term lease of the Lakeview Drive-In property. The Macks then submitted a letter to the City dated September 16, 2010, outlining their proposal for a thirty year lease. The letter also stated that the Macks would consider a five to ten year lease should the City be unable to commit to thirty years. Mrs. Mack met with the committee in October to discuss the information in the letter and offered to present more defined plans and conceptual drawings for both term options. The Macks were invited to address the full Council.

The Macks explained that they would like to replace their existing building, but can't secure the necessary funding to do so unless the City grants them a thirty year ground lease. They provided Council with a memo dated November 23, 2010, stating that If the City isn't willing to commit to

thirty years, a ten year lease with a five year renewal option is suggested. The letter explained that further consideration had made it apparent that they couldn't make needed improvements with the five to ten year lease they'd initially proposed. The Macks provided additional information concerning their plans and answered Council questions. They stated that they would provide the promised drawings when their architect completes them.

- E. AFFORDABLE HOUSING FOR ALL SURCHARGE: Reinbold explained as follows. The City participates in a program to help fund housing for very low income persons through the "Affordable Housing for All" surcharge pursuant to RCW 36.22.178. The surcharge is collected by the County Auditor as an add-on to the fee paid for recording a document. An interlocal agreement between the County and cities of Chelan County provides for administration and expenditure of revenue generated by the surcharge. That agreement expired at the end of June 2010. At that time, a new agreement was executed by the county, but through an oversight was not forwarded to the cities for signature.

At Reinbold's recommendation, **Harper moved to authorize the Mayor to sign the *Housing Surcharge Funds Inter-Local Agreement* for the period July 1, 2010 through June 30, 2011. Seconded by Morse, motion passed unanimously.**

- F. CITY ATTORNEY SERVICES: Reinbold reported that the City Attorney has agreed to extend his contract for one more year with no increase in fees, and staff recommends renewal of the existing agreement.

There being no discussion, **McCardle moved to authorize the Mayor to sign the agreement for the provision of city attorney services by Davis, Arneil Law Firm, LLP, for the term January 2, 2011, through December 31, 2011. Seconded by Morehouse, motion passed unanimously.**

- G. PROSECUTING ATTORNEY SERVICES: Reinbold proposed renewing the agreement with Chelan County for the County Prosecuting Attorney's provision of services to the City. Reinbold explained that the proposed agreement was for two years with a fee increase from \$36,000 to \$42,000 per year. Reinbold noted that this is a fee increase of 17% while the caseload has increased 45%.

There being no discussion, **Morehouse moved to authorize the Mayor to sign the agreement with Chelan County for the Prosecuting Attorney's services from January 1, 2011 through December 31, 2012 as proposed. Seconded by Harper, motion passed unanimously.**

- H. HEARING EXAMINER SERVICES: Reinbold reported that Gildroy is recommending renewal of the City's agreement with Andrew Kottkamp for Kottkamp's services as Hearing Examiner in 2011 and 2012. Reinbold stated that the fee and terms of the proposed agreement are the same as those in the current agreement.

There being no discussion, **Morehouse moved to authorize the Mayor to sign the agreement with Andrew Kottkamp for Kottkamp's service as Hearing Examiner from January 1, 2011 through December 31, 2012 as proposed. Seconded by Morse, motion passed unanimously.**

- I. INDIGENT DEFENSE SERVICES: Reinbold reported that the City issued an RFP for indigent defense services and received proposals from three qualified firms: Collier-Redal; Counsel for the Defense; and Carlson, McMahon & Sealby. Reinbold distributed a report (undated) that described the proposals, provided information gained from interviewing a representative from each firm, listed the criteria used for assessment, and explained his recommendation that the contract be awarded to Carlson, McMahon & Sealby. Reinbold noted that Collier-Redal's proposed fee was the highest, and the fee quoted by Counsel for the Defense the lowest. However, the difference between Counsel for the Defense and Carlson, McMahon & Sealby was slight and offset when the cost of transferring from Carlson, McMahon & Sealby, the City's current provider, was factored in. Galbraith added that the judge's clear preference is Carlson, McMahon & Sealby.

Following brief discussion, **Cooney moved to select Carlson, McMahon & Sealby for the provision of indigent defense counsel and to direct staff to prepare a contract with Carlson, McMahon & Sealby for Council's consideration. Seconded by Morse, motion passed unanimously.**

- J. CANCELLATION OF DECEMBER 23, 2010, COUNCIL MEETING: Council was given the opportunity to consider cancelling the second regular meeting in December 2010 to avoid conflict with holiday plans. Reinbold said that if the meeting is cancelled and something comes up that must be dealt with before the first meeting in January, a special meeting will be held.

There being no discussion, **Morse moved to cancel the regular Council meeting scheduled for December 23, 2010. Seconded by Lingard, motion passed unanimously.**

11. MAYOR, COUNCIL COMMENTS

COUNCIL TRAINING:

Cooney: Commented favorably on the AWC Open Government workshop held in Wenatchee on November 16, 2010 and noted that most City of Chelan council members and some staff attended.

Morse: Also commented favorable on the Open Government workshop. Noted that the presenters said it is irritating to the audience when council members use laptop computers during meetings.

LENGTH OF COUNCIL MEETINGS:

Cooney: Recommended Council set a goal of limiting meetings to two hours.

SHORELINE MASTER PLAN::

Isenhart: Inquired regarding the timeline for adopting the Shoreline Master Plan. Said she wants to recommend language changes in the draft plan to make it specific to Lake Chelan and to address the use of large woody debris. Gildroy explained the process for doing so.

Morehouse: Recommended thorough study of the proposed Shoreline Master Plan to be sure the science applies to Lake Chelan.

BUDGET/LOCAL ECONOMY:

Lingard: Observed that this year's budgeting process didn't flow as well as in prior years.

McCardle: Observed that good management has put City of Chelan in a great financial position compared to other cities, but its history of conservative spending has led to severe neglect in some areas. The City needs to start investing in its infrastructure to bring it up to acceptable standards. During the construction boom, the community wasn't ready for growth, but she believes it is now. Council needs to consider the return on investment when it makes spending decisions – put money into what will increase revenue. Tourism revenue is increasing which will help the City invest in projects that improve the year around quality of life for residents and keep the community safe.

Harper: Said he believes requirements of the Downtown Master Plan will overburden downtown property owners. He anticipates that developers will invest in businesses at Apple Blossom Center where there are fewer restrictions and it is therefore cheaper to build and operate. Those businesses will compete with downtown businesses.

LAKESIDE TRAIL PROJECT:

Lingard: Said that section I appears to be the least controversial segment of the Lakeside Trail, so it seems like something the City could move on. Since an understanding was reached regarding Section J, so he doesn't see why issues keep coming up. He doesn't see why it is an issue that the City started with trail section A and then went to section J without constructing sections B, C, D, E, F, G, H and I first. Noted that the City received a grant to pay for construction section J. Cited projects where work began on either end and met in the middle to illustrate the point that building that way isn't unusual.

Goedde: Said the trail began with the Caravel paying for its section of sidewalk. Other property owners will be required to pay for their sections. There are no commercial ventures on section "J", so the City applied for a grant to pay for its construction. With award of the grant, the City proceeded with that section of the trail.

PUBLIC WORKS TRUST FUND:

Morehouse: Urged council members to contact legislators in protest of their raid on the Public Works Trust Fund.

SUSTAINABILITY COMMITTEE:

Morse: Complained that the Sustainability Committee spends all its time talking about process and gets nothing accomplished.

MEDICAL BENEFITS FOR COUNCILMEMBERS:

Morse: Asked staff to research Council participation in the City's medical insurance plan.

PEDESTRIAN SAFETY: Goedde said that the biggest pedestrian safety issue in Chelan is the Woodin Avenue bridge and it is time to fix it.

LINK TRANSIT:

Goedde: Said Link Transit is in deep trouble. There will be a meeting on December 14, 2010 to get input on various cost savings suggestions.

RIVERCOM DISPATCH SERVICES:

Goedde: Reported that the County Commissioners acknowledged that the law enforcement services they agreed to provide City of Chelan included Rivercom dispatch services, but said they can no longer afford to pay Rivercom so are terminating their agreement with the City. They hope to negotiate a new agreement that doesn't include dispatch services.

12. CITY ADMINISTRATOR'S REPORT

CHAMBER OF COMMERCE BUSINESS OF THE YEAR: The Vogue, owned by Councilman Cooney, has been named Chamber of Commerce Business of the Year.

HOT FRIDAY: Councilman Morehouse is coordinating the holiday lighting for this year's "Hot Friday" event, which will take place the day after Thanksgiving.

LEGISLATIVE ISSUES: Reinbold will put together a package of issues to take to legislators.

Mayor Goedde reminded Councilmembers to include the AWC Legislative Conference on their calendars.

13. RECESS

This item was removed from the agenda. (See Agenda Changes above.)

14. EXECUTIVE SESSION

None

15. ADJOURNMENT

There being no further business, meeting adjourned at 9:25 p.m.

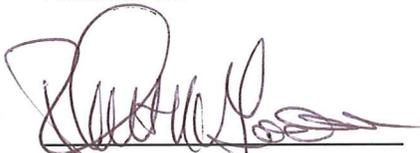
Prepared by:

Attested to:

Date approved by Council: January 13, 2011



Linda Allison-Liles
City-Clerk



Robert R. Goedde
Mayor