

MINUTES OF THE MARCH 24, 2011 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. ROLL CALL

Elected Officials Present: Mayor Goedde; Councilmembers Cooney, Isenhardt, Morehouse, Morse.
Absent/Excused: Councilmembers Harper, Lingard, McCardle.

Staff present: Acting City Administrator/Public Works Director Van Epps, Acting City Clerk/Assistant Finance Director Lingle, Attorney Galbraith, Parks & Recreation Director Sablan, Planning & Community Development Director Gildroy.

3. AGENDA CHANGES

None

4. CITIZEN COMMENTS

- A. FARMERS MARKET: Mike Sherer presented information about the planned Chelan Community Farmers Market and reported that a special event/street closure application for the market's operation this summer was approved by city staff.
- B. REQUEST FOR UTILITY CHARGE REFUND: John Fragnito, 223 San Remo Lane, reiterated the request he made in a letter to Council dated December 2, 2010 and repeated at the December 9, 2010 City Council meeting. Fragnito contended that he was overcharged for utilities provided to the building he owns at 110 North Navarre Street. The building houses an office with one employee serving multiple businesses. The City bills Fragnito for water and sewer service to each business based on Municipal Code 13.08.030, which states "Where more than one use classification is served by a sewer connection, the billing shall include the sum of the uses except for hospitals, nursing homes and schools." Fragnito argued that he should be billed for only one "use classification" at that location. He asked the City to reconsider its interpretation of the code and to refund approximately \$650 in back charges.

Van Epps reported that the Public Works Committee reviewed the City rate resolution and considered Fragnito's request along with a request from Heritage Heights regarding its utility charges. Rate resolution changes recommended by the committee are proposed for consideration later in this meeting. Van Epps provided Councilmembers with copies of Finance Director Grant's March 18, 2011 letter to Fragnito, which provided the history and status of the utility account for 110 North Navarre Street (Account #06150.02); explained that the City's rate resolution requires multiple uses at one location to be billed the same way as multiple uses in different locations; and invited Fragnito to attend tonight's meeting if he still believed his bill should be adjusted.

Fragnito and Van Epps answered Council questions concerning the operations at 110 North Navarre and the City's policy regarding utility charges for multiple uses at a single location.

5. CONSENT AGENDA

Isenhart moved to approve the consent agenda as follows. Seconded by Morse, motion passed unanimously.

- A. Approve Minutes: March 10, 2011 regular City Council meeting and March 10, 2011 joint City Council, Airport Board, Port Commission meeting;
- B. Approve Claim Warrants: #76475 – #76555 totaling \$306,415.85 and Approve Payroll Warrants: #35491 - #35574 totaling \$140,279.88;
- C. Excuse Councilmember Harper's absence from the March 10, 2011 regular City Council meeting.

6. SPECIAL PRESENTATIONS

None

7. PUBLIC HEARINGS

- A. SIX YEAR TRANSPORTATION IMPROVEMENT PROGRAM: Mayor Goedde introduced a public hearing on a proposed amendment to the current Six Year Transportation Improvement Program (STIP), explaining the hearing's purpose and procedure.

Van Epps provided a staff report, explaining that the City was awarded a Surface Transportation Program grant of \$71,613 to help pay the cost of a pavement overlay for a section of Boyd Road. The grant program requires that the project be included in the City's STIP. Staff is recommending that the STIP be amended to add the project. Any amendment to the STIP requires a public hearing.

Following the staff report, Mayor Goedde called for Council questions and/or discussion. There being none, the Mayor opened the public hearing (6:24 p.m.) and called for public comment.

Mike Harris, no address provided, asked if the Boyd Road overlay is one of the projects listed in the City's Draft Transportation Plan. Van Epps said it was not, but the federal government was offering grants specifically for pavement preservation, this project met the criteria, and staff wanted to take advantage of the funding opportunity.

Todd Corrigan, 50 Howard Flats Road, asked for additional information concerning what the grant money would be used for. Van Epps provided a brief description of the project, explaining that the grant plus a local match of \$11,177 would be used for a pavement overlay on a .63 mile section of Boyd Road.

The Mayor asked if Council had questions or comments. Cooney asked if the project would include pedestrian safety improvements. Van Epps said the grant doesn't cover such improvements, but the City may widen the shoulder at City expense to accommodate pedestrian traffic.

There being no further discussion, the public hearing was closed at 6:27 p.m.

8. ORDINANCES, RESOLUTIONS AND OTHER ACTION ITEMS

A. **SIX YEAR TRANSPORTATION PROGRAM**: Morehouse moved to adopt Resolution No. 2011-2016 amending the City's Six-Year Transportation Improvement Program to add the Boyd Road pavement overlay and directing same to be filed with the State Secretary of Transportation and the Transportation Improvement Board. Seconded by Morse, motion passed unanimously.

B. **RATE RESOLUTION AMENDMENT**: Van Epps reported as follows. The Public Works Committee reviewed the City's rate resolution in response to concerns brought to the City's attention by two utility customers. As a result, the committee is recommending two changes to Exhibit "A" of the rate resolution, which lists water, sewer and sanitation fees.

The first change would address the concern John Fragnito related to Council earlier in this meeting. It is recommended that the following language be added at the end of Exhibit "A", Section 1, Paragraph L - Multiple Uses: "When multiple businesses reside within one office space or work area and have only one employee, it will be regarded as one business."

The second change, requested by Heritage Heights, would add assisted living facilities to the list of classifications in Exhibit "A", Section 2, with rates comparable to nursing homes.

Following brief discussion, Cooney moved to adopt Resolution No. 2011-1230 amending Rate Resolution No. 2010-1227 as presented and to refund the approximately \$650 billed to John Fragnito for multiple use water and sewer service at 110 North Navarre Street. Seconded by Morse, motion passed unanimously.

C. & D. **LAKEVIEW DRIVE-IN PROPERTY APPRAISAL & GROUND LEASE**: Galbraith said he would address items C and D on the agenda as one item, since both relate to Mack Restaurants' lease of the City owned property where Lakeview Drive-In is located. Galbraith explained that in the past, a document initially executed in 1984 has been amended annually or biannually to extend the Mack's ground lease. The current draft version of the lease, which he emailed to Council yesterday, is based on Council's agreement to consider the Mack's request for a longer lease term.

Galbraith explained that the proposed lease term is ten years with an option to extend for five more years. Fair market rent, based on an appraisal, is to be established at the beginning of the term, for the sixth anniversary and upon extension, with no intermediate increases. Tom Walter of Walter's Appraisal, was hired to determine the fair market rent on the property, but wasn't able to complete his determination in time to report at this meeting. It is therefore recommended that Council authorize the Mayor to sign the agreement as presented with the rent to be established based on Walter's appraisal.

There followed discussion concerning the pros and cons of a long term lease. The lack of onsite restrooms was also discussed, with Gildroy explaining that restrooms would be required in a new building and could be required as a result of certain improvements.

Cooney and Isenhardt spoke in favor of postponing a decision on the lease until Council has some time to review new information, the fair market value is known, and all Councilmembers are present. Phil Johnson, attorney for Michael and Jamie Mack and Mack Restaurant's Inc., argued that approval of the agreement at this meeting is critical since the Macks hope to open for spring break next week. Johnson stated that the Macks are willing to pay fair market rent and, although they haven't seen the final draft of the agreement, he is confident they will sign it. Todd Corrigan (no address given), Frants Holme-Nielsen (108 Riviera Place), Michael Mack, and Councilman Morehouse spoke in favor of a long term lease and approval at this time.

Cooney moved to accept the Lakeview Drive-In property appraisal conducted by Walter's Appraisal Services. Seconded by Morehouse, motion passed unanimously.

Morehouse moved to authorize the Mayor to sign the agreement with Mack Restaurants, Inc. for the 2011 – 2016 Lakeview Drive-In Ground Lease as presented. Seconded by Morse, motion passed unanimously.

- E. **BRADLEY STREET SIDEWALK PROJECT:** At Van Epps' recommendation, Isenhardt moved to authorize the Mayor to sign the agreement with RH2 Engineering for the Bradley Street Sidewalk Project. Seconded by Morse, motion passed unanimously.

- F. **SPEED LIMIT REDUCTION – SR150/MANSON HIGHWAY:** Van Epps reported that Park Point Condo residents have contacted city staff and the Washington State Department of Transportation with a request that the speed limit on a portion of SR150/Manson Highway be reduced to 25 miles per hour. Specifically, they have asked that the 25 mile per hour speed zone currently beginning at the north end of Don Morse Park as you come into town be extended .14 mile to just west of the Spader Bay/Darnell Road intersection. WSDOT has no objection to the change and staff recommends the request be approved.

Following brief discussion, **Morse moved to adopt Ordinance No. 2011-1418 amending Section 10.48.040 of the Chelan Municipal Code decreasing the speed limit on a portion of State Route 150. Seconded by Morehouse, motion passed unanimously.**

9. MAYOR, COUNCIL COMMENTS

- A. **SUSTAINABILITY:** Isenhardt explained that the Sustainability Committee would like to increase the availability of local produce and make our community more self sufficient. To further these goals, the committee has come up with a "Sustainable Chelan Advisory Ballot" it would like to distribute with utility bills for citizen response. Results would be posted at the Sustainable Chelan booth at the Earth Day event. Isenhardt noted that the questions included in the poll relate to issues that have come before Council in the recent past. Isenhardt distributed copies of the proposed poll. Brief discussion concerning the choice of questions ensued. **Morehouse moved to include the "Sustainable Chelan Advisory Ballot" in the next utility billing. Seconded by Morse, motion passed unanimously.**

Morse said he is heartened to see the Sustainability Committee moving ahead with practical projects.

- B. IMPACT FEES: Cooney reported watching last week's Bend, Oregon city council meeting on public access television. The meeting included lengthy discussion on providing credits to developers for doing things the right way versus charging them impact fees. He intends to research the issue further and will provide results to Van Epps.
- C. TONIGHT'S MEETING: Morehouse thanked Council for its unity of action during this meeting and said he believes none of the motions can be challenged since they were all unanimous. He also thanked Council for acting to approve the Lakeview Drive-In Ground Lease.
- D. FUNDING CUTS: Mayor Goedde reported that he and Administrator Reinbold attended a recent meeting of the Tri-Commission meeting, which includes representatives from Chelan County, five Chelan County cities, the Public Utility District and the Port District. The Mayor said all the member entities are worried about how federal funding cuts will impact the Washington State budget. The good news is that the \$400 million in the Public Works Trust Fund appears to be locked in at least for this year.
- E. LAW ENFORCEMENT SERVICES: Mayor Goedde suggested the County impose a two-tenths of one percent sales tax hike with revenues to be earmarked for law enforcement services.
- F. PATHWAYS TO PROSPERITY: Mayor Goedde said he is disappointed that the Chamber of Commerce and Historic Downtown Chelan Association did not send someone to attend the Pathways to Prosperity Conference held in Moses Lake on March 18 and 19. The Mayor listed conference sponsors, speakers, and topics. He reported that he came away from the conference with the assurance that tourism definitely is an economic development tool that can be used to bring businesses ventures to Chelan.

10. CITY ADMINISTRATOR'S REPORT
None

11. RECESS (AIRPORT BOARD MEETING)
At 8:50 p.m. the Council meeting was recessed to allow the Mayor and Councilmembers to participate in the regular meeting of the Lake Chelan Airport Board. Council meeting reconvened at 8:51 p.m. following adjournment of the Airport Board meeting.

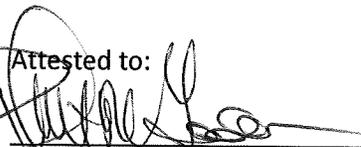
12. EXECUTIVE SESSION
None

13. ADJOURNMENT
There being no further business, meeting adjourned at 8:51 p.m.

Prepared by:


Linda Allison-Liles
City-Clerk

Attested to:


Robert R. Goedde
Mayor

Date approved by Council:

4/14/11