

MINUTES OF JANUARY 17, 2012 SPECIAL CITY COUNCIL MEETING  
135 East Johnson Avenue, Chelan, Washington

ELECTED OFFICIALS PRESENT: Mayor Goedde; Councilmembers Cooney, Harper, Higgins, Isenhart, McCardle (arrived 6:10), Morehouse, Steele.

STAFF PRESENT: Administrator Reinbold, Attorney Galbraith, City Clerk/Administrative Assistant Liles, Finance Director Grant, Parks & Recreation Director Sablan, Planning/Community Development Director Gildroy, Public Works Director Van Epps.

At 6:00 p.m. Mayor Goedde called to order this special meeting to discuss the City's code enforcement program, general facilities charge, and water/sewer rates for multiple businesses sharing a building.

**CODE ENFORCEMENT:** Gildroy explained that the City's code enforcement program was primarily complaint based until a year ago when the City hired a new Building Inspector/Code Enforcement Officer and began taking a more proactive stance to enforcement. Gildroy described various code violations that are common in Chelan and displayed photographs depicting apparent code violations that need to be investigated. He noted that the Building Inspector/Code Enforcement Officer position is currently vacant and needs to be filled soon.

Discussion followed, including the following Council comments (paraphrased):

Enforcement is needed if we wish to improve our neighborhoods. Code enforcement's problem hasn't been the message so much as the way the message was delivered.

It is important to be fair and consistent in enforcing code. People need to be educated and treated with some finesse.

Maybe the 100 foot right-of-way could be narrowed to 80 feet and the other 20 feet given to adjacent property owners so they can improve it. (Gildroy responded, saying some of the right of way may be needed for improvements, so staff would have to assess what is surplus and what is needed.)

Property owners can't always be faulted for misuse of the right-of-way because in neighborhoods where there are no curbs, gutters or sidewalks, people don't know where their property ends and the right-of-way begins. The City has a policy requiring new construction to install curbs, gutters and sidewalks, but Council keeps allowing deferral of those improvements.

The City shouldn't take sides in neighborhood disputes, but should be responsive and informative. If codes aren't going to be enforced, they should be repealed.

Audience members offered the following comments (paraphrased):

People are usually willing to comply with regulations if they understand the problem.

Parking is an issue in neighborhoods near Don Morse Park because people don't want to pay for using the lot at the park. Although "Residential Parking Only" signs were posted, they do no good without enforcement.

He is glad to hear that the Building Inspector/Code Enforcement Officer position is vacant because he heard too many negative stories about the former Officer. It's better to educate people regarding the code.

If it were made clear where property lines are, the City could better argue against improper use of the right of way.

It would be impossible to comply with the restrictions the former Building Inspector/Code Enforcement Officer required of her plumbing business. If he was actually enforcing the International Code as he contended, that code is far too restrictive and needs to be changed.

Higgins responded to the previous comment, saying interpretation of the code during the last year has been very restrictive and Council might ask staff to ease up. Maintenance shouldn't require a building permit. He would like the City Attorney to advise Council as to whether the City could legally adopt a policy saying that no permit is required if the cost of a project is under a certain amount, say \$1,500.

Mayor Goedde said code enforcement can be a liability issue so it would be a good topic to discuss when Washington Cities Insurance Authority does Council training.

**GENERAL FACILITIES CHARGES/UTILITY RATES:** Van Epps explained that in 2006 Council adopted General Facilities Charges (GFC's) as a mechanism for assuring that new development paid for the water and sewer infrastructure improvements needed to accommodate growth. At the time, development was occurring at a high rate, but it has since dropped off and the concern now is that GFC's may be restricting development. Van Epps said he has no opinion as to whether GFC's are good or bad for Chelan, but did wonder how the City would pay for needed improvements if GFC's were eliminated.

Discussion followed, including the following Council comments (paraphrased):

Chelan needs jobs and has property zoned for light industrial and commercial uses that is ready to develop. The Warehouse Industrial Zone Committee has been talking about ways to attract business with the goal of getting people back to work and increasing the tax base. The idea is that reducing GFC's would attract business. Maybe enterprise zones could be established where GFC's are substantially reduced – say for the Warehouse Industrial Zone and downtown. We need a strong downtown and light industry.

Long time residents don't want to pay for infrastructure to support development.

The City gets grants and low interest loans for infrastructure improvements, so not all the cost would be borne by residents.

The City should give light industry every incentive possible.

It is the uncertain economy and not GFC's that is causing the slowdown in development. Someone has to pay for infrastructure.

The *Water and Wastewater General Facility Charge Analysis* prepared by Gray & Osborne in 2006 should be reviewed before any changes to GFC's are made.

Audience members offered the following comments (paraphrased):

Development pays for itself even without GFC's.

He won't be investing any more money in this town – it's too expensive to develop here.

Look at the impact on the community. It can grow or it can die. People need jobs. The GFC was ridiculous during the boom and it's ridiculous now.

The more he hears about GFC's, the more questions he has. He doesn't understand how GFC's are calculated and there seems to be confusion within the City about that too. Something needs to be done. We don't want barriers to new business.

**DECREASED WATER RATES/WATER CONSERVATION:** Van Epps reported as follows. In April of 2010 the City raised the base water rates. In November, Campbell's came to the Public Works Committee to object to the rate hike. Committee member Stan Morse said the City should offer a reduced rate to businesses who establish a water conservation plan. Campbell's subsequently established such a plan and is now seeking a reduced water rate. However, tying the rate to a conservation plan doesn't work well. Using a multi tier structure for overage to encourage water conservation works better.

Art Campbell, representing Campbell's Resort, said Campbell's was caught off guard by a 20% water rate increase. The Public Works Committee told him that the City would take another look at the rate if Campbell's could reduce water use. Campbells then established and implemented a water conservation plan. The City has been informed of the plan and the resulting reduction in water use, but so far hasn't acted to reduce the rate. He feels the City needs to implement a policy offering reduced rates for water conservation, and he'd be glad to work with the City to formulate an equitable policy.

**WATER AND SEWER RATE RESTRUCTURING:** Van Epps stated that the City continues to encounter complications related to the current water and sewer rate structure for commercial customers, mainly those expanding their scope of business who are then subject to additional general facility charges and increased monthly utility charges. Van Epps said he is interested in rate restructuring to reduce complications.

Comments from the audience (paraphrased):

\$15,000 is too much for a small business and it doesn't make sense to charge for two hookups when two small businesses are operating in the same building.

The City bills the owners of rental properties for utilities instead of billing renters. He would like to see that changed. It is too hard for owners to predict what the utilities will cost so they can be included in the rental fee. Also, young renters need the utilities in their names as a way to establish credit. If collecting from renters is a problem for the City, he would prefer to pay a higher rate to cover that expense.

Van Epps, responding to the first comment, said if hookups don't impact infrastructure, they shouldn't pay more. However, if they do have an impact and are not charged extra, someone else pays.

Grant, responding to the second comment, explained that requiring rental property owners to pay utilities instead of billing renters was ~~an~~ implemented as an efficiency measure.

There being no further business, meeting adjourned at 8:45 p.m.

Prepared by:

  
Linda Allison-Liles  
City Clerk

Attested:

  
Robert R. Goedde  
Mayor

Date approved by Council:

3/8/2012