

MINUTES OF THE MAY 10, 2012 CITY COUNCIL MEETING
City Hall, 135 East Johnson Avenue, Chelan, Washington

1. CALL TO ORDER

The meeting was called to order at 6:00 p.m.

2. ROLL CALL

ELECTED OFFICIALS PRESENT: Mayor Goedde, Councilmembers Cooney, Harper, Higgins, Isenhart, McCardle, Morehouse. ABSENT/EXCUSED: Councilmember Steele.

STAFF PRESENT: Administrator Reinbold, Attorney Galbraith, Clerk/Administrative Assistant Allison-Liles, Finance Director Grant, Parks & Recreation Director Sablan, Planning & Community Development Director Gildroy, Public Works Director Van Epps, Receptionist/Clerical Assistant Gallucci, Chief Law Enforcement Officer Huddleston, Assistant Finance Director Lingle.

3. AGENDA CHANGES

None

4. CITIZEN COMMENTS

A. UTILITY HOOKUP FEES: Emit Aston, 385 Antoine Creek, thanked Council for reducing sewer and water hookup fees.

B. LAKE CHELAN HOSPITAL FOUNDATION: Emit Aston, 385 Antoine Creek, introduced Katherine Jerald, who was recently hired as the first Executive Director of the Lake Chelan Hospital Foundation. Jerald commented on accomplishments of the Foundation.

C. HOSPITAL REPLACEMENT PROJECT: Tom Clark, 555 Antoine Creek Road, explained that although a bond to build a new hospital has been voted down twice and it would cost taxpayers twice as much to refurbish the existing building as it would to build a new hospital, he knows a sure way to get the bond now being proposed to pass, i.e.: Council would place on its next meeting agenda an up or down vote on deeding the Municipal Golf Course property to School District 129. Council would then vote against transferring the deed. The same issue would then be placed on the next meeting's agenda. There would be a full room and in-depth discussion. Clark said that such a discussion needs to happen, Council can facilitate that, and the outcome would benefit all the people of the Lake Chelan Valley.

5. CONSENT AGENDA mc/wi/u

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

A. Approve Minutes of 4/26/2012 Regular City Council meeting;

B. Approve Claim Warrants No. 79026 - 79125 totaling \$1,060,752.10,

Approve Payroll Warrants No. 38237 – 38334 & 38337 - 38350 totaling \$195,643.72,

Void Payroll Warrants No. 38335 – 38336.

6. SPECIAL PRESENTATIONS

A. LAW ENFORCEMENT SERVICES: Sheriff Burnett and Sgt. Huddleston presented the 2011 Law Enforcement Services Report and answered Council's questions.

- B. TREE CITY USA: Sablan announced that for the fifth year in a row, the Arbor Day Foundation has awarded City of Chelan the designation "Tree City USA" for its commitment to urban forestry. Sablan reported that staff celebrated this honor by inviting local fifth graders to Don Morse Park where they were quizzed about the importance of trees in our environment, planted two trees, enjoyed music by the Chelan High School Band, and ate a hot dog lunch prepared by former Mayor Jay Witherbee and former City Administrator Dave Fonfara. Each student was given a blue spruce sapling to take home to plant.

7. PUBLIC HEARINGS

- A. COLLECTIVE MEDICAL MARIJUANA GARDENS: Mayor Goedde introduced a hearing to take public testimony concerning a proposed ordinance relating to the zoning of collective medical marijuana gardens by stating the hearing's purpose and procedure. He then called on Gildroy for a staff report.

Gildroy explained that in 2010 amendments to the Medical Cannabis Act, RCW 69.51A, authorized collective gardens for the purpose of producing, processing, transporting and delivering cannabis for medical use subject to certain conditions. The legislation also authorized cities to adopt planning legislation regarding the location of such gardens. In response, Council first enacted and later extended a moratorium on medical marijuana dispensaries and collective gardens to allow time for a public process to consider the appropriate regulation and licensing of the distribution and communal growing of cannabis for medical use within the city. Gildroy described that process and reported the resulting Planning Commission recommendation, i.e., that collective gardens be allowed in accordance with state law and that staff seek the City Attorney's opinion on the scope of federal law as it applies to collective gardens so appropriate language can be included in any legislation Council adopts. Gildroy then reviewed conditions set forth in RCW 69.51A.

At Gildroy's request, Galbraith explained as follows. While Washington State law authorizes collective gardens and planning legislation regarding the location of such gardens, the Federal Drug Enforcement Agency has warned that growing, distributing, and/or possessing marijuana violates federal law regardless of state laws permitting such activities. Further, the DEA has indicated that anyone facilitating such activities is in violation of the Controlled Substances Act, so local government officials who legislate such activities and staff who enforce such legislation may be subject to criminal prosecution. Because there is conflict between state and federal law and ongoing debate on the topic, and because legislating medical marijuana may constitute a criminal act, the proposed ordinance identifies collective gardens as a permitted use within all zones in the city so long as they are authorized by state and federal law, but includes no permitting or business license requirements. In effect, this prohibits collective gardens, but it does not expressly violate either state or federal law and it embraces any changes that may occur in state and/or federal law.

There followed Council comments and questions answered by Gildroy, Galbraith and Sheriff Burnett.

At 7:24 p.m., Mayor Goedde opened the hearing to public testimony.

Tamara Amendolare, PO Box 1546, spoke in favor of adopting the proposed ordinance. She said cities around the country are allowing medical marijuana collective gardens under state law while acknowledging such gardens aren't legal under federal law. She read an excerpt from an ordinance adopted by the City of Arcata, California as an example of language that is being used to that end.

Joe Amendolare, 50 Chelan Ranch Road, advocated the use of medical marijuana as an alternative to addictive prescription drugs and stressed the need for a safe place close to home where patients and their caregivers can access medical marijuana. Amendolare said he supports the proposed ordinance, and he thanked the City for working with concerned citizens on this matter.

Joe Slipher, Wenatchee, said he was present to speak on behalf of his disabled mother whose health degenerated with use of narcotics prescribed for her condition. He said medical marijuana is effective and safer, but can't be grown at her residence because there are children in the household. Collective gardens provide an alternative site for growing. He supports adoption of the proposed ordinance.

Bryan Toyer, 425 Butte Road, said he concurs with Mr. Slipher's point – many people can't grow marijuana where they live because there are children present, they don't have room, their landlord won't permit it, or they're in assisted living. Many don't know how to grow it, but could learn in a collective setting. He noted that when the DEA raided medical marijuana facilities in Spokane, city officials and staff weren't cited and predicted that if the federal government were to crack down on collective gardens, it would go after the State rather than the cities abiding by state law.

Tom Clark, 555 Antoine Creek Road, said the people living in a community, county, or state are best able to determine what law is right for their area. Elected officials, including the sheriff, have no obligation to enforce federal law.

Lloyd Arnold, Wenatchee, spoke in favor of medical marijuana gardens, saying he isn't able to function when taking prescription drugs, but medical marijuana allows him to get around and go to school and work. With access to his medicine through collective gardens he can have a life.

Erik Baumgartner, Entiat River Road, said that those medical marijuana gardens and dispensaries that have been raided by federal government agents were in violation of state law. He claimed that as long as medical marijuana gardens abide by state law, they won't be raided.

Mike Harris, 420 North Navarre, said he is a licensed chemical dependency counselor. He warned against marijuana, saying it has hallucinogenic properties, alters the mind, impairs users' ability to drive, leads to harder drugs and, in towns where growing marijuana is a major industry, results in robberies and killings. He warned that collective garden crops will be stolen resulting in a headache for growers, law enforcement and the court system. He said if the City wants to endorse medical marijuana, it should work to get it legalized by the state and federal governments and reclassified by the American Medical Association.

There being no one else in the audience who wished to speak, Mayor Goedde closed the public hearing at 8:46 p.m.

There followed further Council questions and discussion.

8. ORDINANCES, RESOLUTIONS AND OTHER ACTION ITEMS

- A. ZONING ORDINANCE FOR COLLECTIVE MEDICAL MARIJUANA GARDENS: Gildroy recommended adoption of an ordinance identifying collective medical marijuana gardens as a permitted use within all zones in the city so long as such gardens are authorized by state and federal law.

There being no discussion, Harper moved to adopt Ordinance 2012-1437 amending sections in Titles 17 and 19 of the Chelan Municipal Code relating to establishing collective medical marijuana gardens as a permitted use. Seconded by Morehouse, motion passed 5-1 with Harper, Morehouse, Cooney, Isenhart and McCardle voting aye and Higgins voting nay.

- B. ORDINANCE REDUCING SPEED LIMIT ON A PORTION OF SR 150: Reinbold reported as follows. Washington State Department of Transportation (WSDOT) conducted a study in response to citizen requests for a lower speed limit on certain sections of SR150 between Chelan and Manson. As a result, WSDOT has recommended the speed limit be lowered from 45 to 40 miles per hour on a two mile stretch of road from the end of the passing lane west to Rocky Point. Most of the distance is inside city limits, so WSDOT and the City must agree to any speed adjustment. The Public Safety Committee supports WSDOT's recommendation.

WSDOT Traffic Engineers David Kieninger and George Stuart presented details about the study and its findings and recommendations and answered questions from Council and audience members.

Two citizens spoke in favor of lowering the speed limit and two spoke against.

Huddleston - Most collisions on that stretch of SR150 are caused by inattention or slippery roads, so he doesn't believe lowering the speed limit will make any difference.

Sheriff Burnett - Most residents probably wouldn't realize the speed limit had been changed and would continue driving as before.

Higgins - He's concerned about the several variations in the speed limit between Chelan and Manson.

Morehouse - He's been studying the highway and has counted 17 to 19 points of access along that stretch of road. There is inadequate sight distance. Doing nothing to improve safety is a liability. He thinks the speed limit should be lowered.

Van Epps - He supports WSDOT's recommendation. WSDOT brought the full measure of public input and professional methodology to the study, and its conclusions are based on sound engineering principles.

Harper moved to accept the recommendation of WSDOT and to adopt Ordinance 2012-1438 adjusting the speed limit on a portion of State Route 150. Seconded by Morehouse, motion passed unanimously.

- C. AGREEMENT WITH D.A. DAVIDSON FOR FINANCIAL ADVISORY SERVICES: Grant recommended financing the City's share of the cost to fund the Don Morse Park Shoreline Restoration/Beach Enhancement/Marina Expansion project by selling a limited tax general obligation bond directly to a bank. Grant further recommended that the City employ D. A. Davidson & Co. at a cost of \$4,500 to contact area banks and act on behalf of the City in negotiating terms and the interest rate on the loan. Grant noted that there would be an additional fee of around \$9,000 for bond attorney services, and that both D. A. Davidson's fee and the fee for attorney services would be paid from proceeds of the loan.

There being no discussion, **Morehouse moved to authorize the Mayor to sign the Financial Advisory Services Agreement with D. A. Davidson & Co. as presented. Seconded by McCardle, motion passed unanimously.**

- D. PHASE II WASTE WATER FACILITY UPGRADE PROJECT: Van Epps explained that the Department of Commerce requires Public Works Trust Fund (PWTF) loan recipients to officially close out their loan upon project completion. Van Epps presented a proposed resolution to close out the PWTF loan for design, plans and specifications for Phase II of the Waste Water Facility Upgrade and Pipeline project.

Isenhart moved to adopt Resolution No. 2012-1242 relating to completion of the final design for the Phase II Waste Water Facility Upgrade and close out Public Works Trust Fund Loan #PR08-951-106. Seconded by McCardle, motion passed unanimously.

- E. PHASE II WASTE WATER FACILITY UPGRADE PROJECT – PIPELINE: Van Epps reminded Council that Resolution No. 2011-1232 granted Administration limited authority to approve change orders under certain criteria, including a requirement that a report be presented at the next regular Council meeting for Council's final approval.

Van Epps presented Change Order No. 2 on the Phase II Waste Water Facility Upgrade and reported that the change is the result of a Cost Reduction Incentive Proposal from contractor Halme Construction, who recommended realigning the gravity sewer main for a cost savings of \$30,172.25. The City spent \$3,000 in engineering and staff time to investigate the proposed change, so the net savings was \$27,172.25, with half going to the contractor as specified in the Cost Reduction Incentive Program set forth in the City's contract with Halme.

Van Epps reported briefly on the project and said at least one more change order is expected. There followed brief discussion concerning the project.

Isenhart moved to approve Change Order No. 2 for the Waste Water Facility Upgrade Pipeline Project. Seconded by Cooney, motion passed unanimously.

- F. UTILITY EXTENSION AGREEMENT WITH STANLEY JOHNSON: At Van Epps' recommendation, **Harper moved to authorize the Mayor to sign a Utility Extension Agreement with Stanley Johnson for sanitary sewer and water services at 65 High Point Lane. Seconded by Isenhart, motion passed unanimously.**

10. MAYOR AND COUNCIL COMMENTS

- A. WOODIN AVENUE BRIDGE/NO-SEE-UM INTERSECTION: McCardle - She was surprised and disturbed to hear comments by the Mayor during a GoLakeChelan.com interview that made it sound as though the Woodin Avenue Bridge improvement project was no longer a priority and Council hadn't allocated funding for it. She wants to be sure everyone understands that the bridge project is Council's top priority. Council not only gave the Public Works Director the go-ahead to look for grants to fund the project, but also included a line item in the budget so if a grant isn't awarded, the City will have the debt capacity to fund the project. Although the Mayor said the project had been the priority of previous councils, it was this council that took action to assure the project would be funded this year. According to the Public Works Director, with or

without a grant, construction can begin at the end of this year or early next year. The bridge has always been a top priority with this council, and it has gone beyond efforts of past councils in that by creating a backup plan in case grant funding isn't available.

Cooney – He also listened to the interview and urges other Councilmembers to do so. He took offense at the Mayor's comments. The bridge project and No-See-Um intersection remain top Council priorities even though other things have come up and been addressed. He agrees with all that McCardle said.

Mayor Goedde – He and Reinbold will be meeting with Senator Parlette to discuss improving the No-See-Um intersection. Parlette has set aside \$400,000 for design work, so it looks promising. It's true that \$1.3 million has been set aside for the bridge project. His point in the interview was that we set our goals and then sometimes other things pop up and we may not have enough money to finance everything. He doesn't think the City has enough money to finish the intersection, but it is involved in two other projects. The library is certainly worthwhile if we can get the money from the Department of Commerce. He certainly hopes we get the money for the intersection.

- B. COMMUNICATION: McCardle - The City needs to improve communications so the public knows what Council's priorities are coming out of the budget sessions. At its retreat, Council should identify its top five priorities for the coming year and, of course, base its budget on those priorities. The City should then communicate through signage at City Hall, the City's website and other means so citizens know the priorities and where their money is being spent. This Council has done an exceptional job of juggling a number of large projects while maintaining a fiscally sound budget, and she is extremely proud of that.
- C. DON MORSE PARK SHORELINE RESTORATION/BEACH ENHANCEMENT/MARINA EXPANSION PROJECT: Higgins - He doesn't understand why a couple of trees with their tops cut off and most of their limbs removed were planted in the beach. Soon they will be dead stumps sticking out of the water, attractive to kids, and a liability for the City. It's a strange thing to spend taxpayers' money on.

Sablan explained that the WWRP grant requires the City to provide habitat for animals and/or birds. The snags are meant to do that.

- D. PUBLIC WORKS TRUST FUND: Isenhart – She will be attending an AWC Small City Connector in Tonasket where the Public Works Trust Fund will be discussed. She hopes to learn about the new PWTF program for small projects and bring back useful information.
- E. SUICIDE PREVENTION: Isenhart – She wasn't able to attend the meeting on suicide prevention held at the Lake Chelan Hospital last night. However, she has learned that suicide is the #1 cause of death in Chelan. The meeting was arranged by the pastor of Little Stone Church who is hoping to interest enough people so suicide prevention training can be taught locally.
- F. LARGE WOODY DEBRIS: Isenhart – She is upset to learn that the Public Utility District is considering use of root wads in the Chelan River. She thought that practice was now banned in Chelan County.

Gildroy explained that root wads are still allowed for public projects, but the City is meeting with the PUD at 2:30 p.m. on May 17, 2012 in his office to discuss the proposal.

Isenhart – She'll attend that meeting if Gildroy has no objection.

Gildroy said the meeting is open to the public.

- G. GENERAL FACILITIES CHARGE: Cooney – He apologizes for being slow to respond to Sue Lain's letter concerning general facilities charges. After receiving her second letter, he talked with her on the phone for 45 minutes and believes both he and she have a better understanding of the issue. He followed up with with an email, which was copied to Council.

Cooney also noted that a number of building permit applications have been submitted since Council reduced GFC's, so he is hopeful the reduction is working to stimulate construction as hoped.

Morehouse – He is concerned that people don't understand what GFC's are used for. They go directly into construction costs. They offset rate increases to pay for the excess construction that was built in when the City constructed the water and sewer plants. When the budget was passed, projections included the GFC at that time. Since it has been reduced, there will likely be a shortfall in the sewer budget – maybe \$20,000, maybe \$50,000.

- H. HISTORIC DOWNTOWN CHELAN ASSOCIATION (HDCA): Morehouse - The HDCA design committee is working on a unified concept for the Woodin Avenue bridge, the entrance to the park, the dock and trail. Council should consider all the components and not focus on the bridge to the detriment of the others. It's important to keep in mind how the bridge is going to work in context with everything else.
- I. HOSPITAL RELOCATION PROPOSAL: Morehouse – He's concerned about the hospital relocation proposal. The current building isn't that old. Brewster is struggling financially with their new hospital. If a new hospital is built, there is no budget for dealing with the \$20 million building that would be vacated. He isn't against a new hospital, but there are a lot of the holes in the plan that need to be filled. Before we jump, he wants to see where we'll land.
- J. SMALL CITY REGIONAL CONNECTOR: Mayor Goedde – He suggests Councilmembers carpool to attend the Association of Washington Cities Small City Regional Connector to be held in Tonasket on May 21, 2012. The new Public Work Trust Fund guidelines will be discussed.
- K. SOCIAL MEDIA MARKETING FOR ECONOMIC DEVELOPMENT: Mayor Goedde – He invites Councilmembers to attend a webinar entitled "Social Media Marketing for Economic Development" in Council Chambers at 10:00 a.m. on May 15, 2012.
- L. SISTER CITY: Mayor Goedde – He isn't sure it's worth renewing membership in Sister Cities International unless the City specifies a country it would like to be involved with. He would like to see more interaction with Oliver, B.C. and wants Council to attend an Oliver council meeting. They meet the second and fourth Mondays of each month.

10. CITY ADMINISTRATOR'S REPORT

- A. ASSOCIATION OF WASHINGTON CITIES ANNUAL CONFERENCE: AWC early bird registration ends soon, so anyone who is planning to attend should register now to save the City some money. Three of those attending will be asked to serve as the City's voting delegates.
- B. GREATER WENATCHEE PUBLIC FACILITIES DISTRICT: At a previous Council meeting, Cooney volunteered to serve as the City of Chelan representative on the new PFD board. McCardle agreed to serve as alternate. Council indicated its support, but it would be good to formally appoint them.

Harper moved to appoint Councilmember Cooney as the City's representative to the Greater Wenatchee Public Facilities District Board and to appoint Councilmember McCardle as his alternate. Seconded by Isenhardt, motion passed unanimously.

11. RECESS (AIRPORT BOARD MEETING)

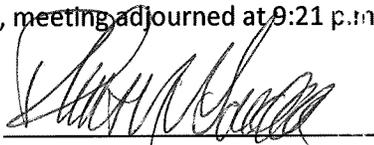
Council meeting was recessed at 9:20 p.m. to allow the Mayor and Councilmembers to participate in the regular meeting of the Lake Chelan Airport Board. Council meeting reconvened at 9:21 p.m. following adjournment of the Airport Board meeting.

11. ADJOURNMENT

There being no further business, meeting adjourned at 9:21 p.m.



Linda Allison-Liles, City Clerk
City-Clerk



Robert R. Goedde, Mayor
Mayor

DATE APPROVED BY COUNCIL:
June 14, 2012