

MINUTES OF THE DECEMBER 13, 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. ELECTED OFFICIALS PRESENT: Mayor Goedde, Councilmembers Cooney, Harper, Higgins, Isenhardt, McCardle, Morehouse, and Steele (arrived at 6:03 p.m.)

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

3. AGENDA CHANGES

- A. None

4. CITIZEN COMMENTS

- A. Linda Van Lunsen, 226 Bandera Way, is a member of the Food Bank Advisory Board, stated they were grateful for the space and thanked Council for working with them over the last nine months.

5. CONSENT AGENDA

Mr. Cooney moved to approve the consent agenda as follows. Second by Ms. McCardle. Motion passed unanimously.

- A. Approve Minutes of November 20, 2012 Regular City Council Meeting
B. Approve Claim Warrants No. 80300 – 80407 totaling \$434,096.20 and Payroll Warrants No. 39824 – 39904 totaling \$172,234.78.

6. SPECIAL PRESENTATIONS

- A. MANSON BAY BUSINESS ASSOCIATION: Kim Ustanik, owner of Mountain View Lodge and Chairman of the Manson Bay Business Association gave a presentation on the current activities of the association. She discussed the various changes in the community and the further changes they would like to accomplish.

7. PUBLIC HEARINGS

- A. None

8. RECESS

Council meeting was recessed at 6:19 p.m. to allow the Mayor and Councilmembers to participate in the Airport Board meeting. The Council meeting reconvened at 6:23 p.m. following adjournment of the Airport Board meeting.

9. ORDINANCES, RESOLUTIONS, AND OTHER ITEMS

- A. PRO SHOP EXCEPTION REPORT: Mr. Sablan informed Council this report was prepared for Council due to auditor findings. He will submit an actual end of year report at the second meeting in January 2013 which will be more detailed than this exception report. Mr. Oscarson gave details on how inventory was conducted and stated the golf course had a \$627 variance which is one percent of

current inventory. Last year's variance was \$1700 which is a two percent variance. Industry standard is three to five percent. Variance comes from the point of sale and is the difference in what is inventory versus what has been scanned. Questions asked by Council included what attributed to the decrease and how the Pro Shop is operated comparing it to a retail shop or a souvenir shop.

None. Information only.

- B. RESOLUTION IDENTIFYING 2013 LEGISLATIVE PRIORITY ISSUES: Mr. Schmidt explained this is an avenue for Council to convey to the legislature their priorities for the upcoming session. He would like to start earlier next year as this list mostly includes AWC's priorities with only the first and second priorities, the Woodin Avenue Bridge and the No-See-Um Intersection, being specific to Chelan. Council stated they would like to include an item relating to the uniqueness of Lake Chelan as it pertains to dealing with the Department of Ecology, the Army Corps of Engineers and Fish & Wildlife.

Mr. Morehouse moved to add an item to the list concerning Lake Chelan and bring that back in January with proper wording dealing with the shoreline and Lake Chelan itself. Second by Mr. Steele. Motion passed unanimously.

- C. RESOLUTION ADOPTING 2013 AIRPORT BUDGET: Mr. Schmidt stated this was the Resolution discussed during the Airport Board meeting for the adoption of the 2013 Airport Budget. Council had no questions and there was no discussion.

Ms. McCardle moved to adopt Resolution 2012-1249 setting the 2013 Budget for the Lake Chelan Airport as presented. Second by Mr. Steele. Motion passed unanimously.

- D. FUNDING AGREEMENT WITH THE HISTORICAL DOWNTOWN CHELAN ASSOCIATION: Mr. Schmidt stated this was a continuation of the current funding agreement. This agreement will be for a three year term for \$30,000 annually basically to fund the Main Street Program. Mr. Schmidt called attention to the changes from the previous agreement. The City Councilmember liaison was changed from a voting member to a non-voting member and a sixty day termination clause has been added. The agreement also includes four deliverable items HDCA agrees to provide for the funding they will receive. Councilmembers asked if there had been discussion with HDCA regarding the deliverables. Ms. Cindy Salazar, Executive Director, informed Council there had been discussions with the City and HDCA President, Nick Pasco, had approved the agreement which was before Council.

Ms. Isenhart moved to authorize the Mayor to sign and execute the attached Funding Agreement between the City of Chelan and the Historic Downtown Chelan Association. Second by Mr. Cooney. Motion passed unanimously.

- E. FUNDING AGREEMENT FOR LODGING TAX FUNDS WITH THE LAKE CHELAN CHAMBER OF COMMERCE: Mr. Schmidt stated the finalized document was given to Council in hard copy at the beginning of the meeting. This five year agreement is to provide funds for certain services including the Visitor's Information Center, tourism promotion, marketing and overall promotion of convention business. This agreement provides for the use of all the of 3% hotel motel special excise taxes which are restricted funds for this purpose. There are two significant changes to this agreement. The first is a summary of monthly occupancy percentages from contributing lodging establishments in Chelan will be provided to the City. The second significant change is a one year termination clause.

Mr. Steele stated he will be participating in the discussion but will recuse himself from the vote.

Councilmembers asked questions regarding the uses and restrictions of these funds. A budget is to be prepared and Council will review and approve. These dollars are meant to bring in tourism so the money must be spent on events that will bring people to Chelan. Ms. McCardle and Mr. Steele discussed the application process applicants must follow to determine if the Chamber will allocate funds for an event.

Mr. Harper brought up Ms. McCardle's association with the Chamber of Commerce. Ms. McCardle stated the City Attorney had determined it is not a conflict of interest for her to participate in the vote as a Councilmember and conduct marketing for the Chamber. Ms. Isenhart disclosed two family members produced a video two years ago and received payment from the Chamber. Councilmembers stated not only do they want fairness they want to depict the appearance of fairness to the citizens.

Ms. Isenhart moved to authorize the Mayor to sign and execute the lodging tax fund agreement as presented by staff between the City of Chelan and the Chelan Chamber of Commerce. Second by Mr. Morehouse. Motion passed 6 – 0 with Mr. Steele recusing himself.

- F. ORDINANCE AMENDING 2012 CITY BUDGET: Ms. Grant related the minor changes in the 2012 budget. Council had no questions and there was no discussion.

Mr. Higgins moved to adopt Ordinance 2012-1450 amending the 2012 budget and Ordinance No. 2011-1431. Second by Ms. McCardle. Motion passed unanimously.

- G ORDINANCE ADOPTING 2013 CITY BUDGET: Ms. Grant stated the memo Council received outlined the changes to the final proposed budget. Council had no questions and there was no discussion.

Ms. Isenhart moved to approve Ordinance 2012-1451 adopting the 2013 budget as presented. Second by Mr. Steele. Motion passed unanimously.

- H. AUTHORIZATION TO PAY YEAR END BILLS: Ms. Grant explained as there will be no second meeting in December, staff needs authorization to pay the year end bills. Ms. Grant stated Council will still have the opportunity to review the vouchers.

Ms. McCardle moved to authorize staff to pay invoices for end of year expenditures subject to review and recommendation from the Council person delegated to review December vouchers. Second by Ms. Isenhart. Motion passed unanimously.

10. MAYOR AND COUNCIL COMMENTS

- A. LODGING TAX FUNDS APPEARANCE OF FAIRNESS: Ms. McCardle stated she appreciated Mr. Harper allowing her to clarify her role with the Chamber of Commerce funding. She reiterated marketing is her hobby and she feels it is an honor to be able to do what she loves.

- B. REGIONAL SUPPORT NETWORK MEETING: Ms. Isenhart stated this advisory board oversees the distribution of funds for the disabilities, housing, and mental health services. They have a two million dollar reserve funds because they are not finding clients fast enough. They are currently being

audited by the state. Mr. Harper was previously on the board and there are many areas where the funds could have been utilized and they were not. The state is looking at consolidation so there is better local control.

- C. STAFF APPRECIATION: Mr. Cooney said thank you to the staff and he appreciates the treatment received from the Finance Department. He stated every time he walks in or calls he receives excellent service.

Mr. Harper, Mr. Morehouse, Mr. Steele and Mr. Schmidt agree regarding the appreciation for the City's staff.

- D. PUBLIC WORKS COMMITTEE MEETING: Mr. Harper attended the Public Works Committee meeting. They closed out Johnson Avenue project, the South Bradley Street Sidewalk project, and the WWTP Pipeline project. The committee discussed the scope of the Woodin Avenue Bridge project, and the three-way stop at Columbia and Woodin. The design and cost estimate of the North Bradley Street project and GFC rates were also discussed.

- E. NO-SEE-UM-INTERSECTION: Mr. Goedde met with the Legislators and the WSDOT regarding the No-See-Um intersection. He said Council needs to show support for the intersection and to inform DOT the City needs it now. WSDOT will not make it a priority if the City does not.

- F. TRI-COMMISSION MEETING: Mr. Goedde introduced Mr. Schmidt and stated the three major projects the City is working on is the golf course, the No-See-Um Intersection and the Woodin Avenue Bridge. Mr. Goedde was misquoted by Steve Hare who reported Mr. Goedde said the City was working on privatization for the golf course. He wants it made clear he did not say that.

- G. COMMITTEE MEETINGS: Mr. Goedde would like the committees to have chairs and would like the chairs to give the report to Council. Mr. Goedde would like Council to start considering which committees they would like to participate on next year. He encouraged Councilmembers to rotate their committee selections so they may have a more rounded view of how the City works.

- H. OLIVER, B.C. SISTER CITY: Mr. Goedde thanked former Mayor Witherbee and Ms. McCardle for the City's Canadian counterparts who are coming down for Winterfest.

11. CITY ADMINISTRATORS REPORT

- A. ADDITIONAL FUNDING FOR TEEN CENTER: Mr. Schmidt reminded Council at the November 20, 2012 meeting, Council had agreed to provide \$1600 additional funding for the Teen Center. Mr. Schmidt requested a motion instead of an authorization for the addendum to the contract.

Mr. Steele moved to authorize the Mayor to sign and execute the addendum to the funding agreement for the Teen Center. Second by Mr. Morehouse. Motion passed unanimously.

- B. GBI HOLDINGS/THREE FINGERS: Mr. Schmidt informed Council a draft of the position statement and Resolution had been handed out to Council prior to this meeting. He asked Council to review before the January 10, 2013 meeting. They will be used to indicate to the citizens of Chelan the City Council maintains an official position of neutrality.

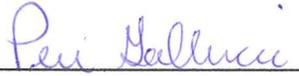
C. AWC CITY LEGISLATIVE ACTION CONFERENCE: Mr. Schmidt gave Council the correct dates for the conference which are February 13th and 14th, 2013.

12. EXECUTIVE SESSION

None.

13. ADJOURNMENT

There being no further business, the meeting adjourned at 7:45 p.m.



Peri S. Gallucci
City Clerk



Robert R. Goedde
Mayor

DATE APPROVED BY COUNCIL:

January 10, 2013