



WENATCHEE CITY COUNCIL SPECIAL MEETING

Thursday, November 1, 2018

Wenatchee City Hall
129 South Chelan
Wenatchee, WA 98801

AGENDA

5:15 p.m. Special Meeting

1. Call to Order, Pledge of Allegiance, and Roll Call.

2. Consent Items:

- Motion to approve agenda, vouchers, and minutes from previous meetings.

Vouchers:

Claim checks #188118 through #188185 in the amount of \$290,918.45 for October 25, 2018

Wire #1450 and #1451 in the amount of \$47,279.88 for October 25, 2018

Claim checks #188186 through #188192 in the amount of \$23,230.76 for October 29, 2018

3. Citizen Requests/Comments.

The "Citizen Comments" period is to provide the opportunity for members of the public to address the Council on items either not on the agenda or not listed as a public hearing. The Mayor will ask if there are any citizens wishing to address the Council. When recognized, please step up to the microphone, give your name and mailing address, and state the matter of your interest. If your interest is an agenda item, the Mayor may suggest that your comments wait until that time. Citizen comments will be limited to three minutes.

4. Presentations.

- Global Entrepreneurship Week Proclamation
- 2018 Budget Amendments Review
- 2019 Preliminary Budget Review

5. Action Items.

- A. Amended Lease – Lineage Logistics
Presented by Executive Services Director Allison Williams

Motion for City Council to authorize the Mayor's signature on the Lease Agreement between the City of Wenatchee and Lineage Logistics, LLC.

B. Contaminated Soils Agreement with WenDBR, LLC

Presented by Economic Development Director Steve King

Motion for City Council to authorize the Mayor to sign a settlement agreement with WenDBR, LLC in the amount of \$184,079.81 to satisfy contractual obligations associated with disposal of contaminated soils at 25 North Worthen Street.

6. Reports.

- a. Mayor's Report
- b. Reports/New Business of Council Committees

7. Announcements.

8. Adjournment.



DRAFT

WENATCHEE CITY COUNCIL
Thursday, October 25, 2018
Wenatchee City Hall
129 South Chelan Avenue
Wenatchee, WA 98801

MINUTES

In attendance:

Mayor Frank Kuntz
Councilmember Ruth Esparza
Councilmember Lyle Markhart
Councilmember Mark Kulaas
Councilmember Linda Herald
Councilmember Jim Bailey
Councilmember Keith Huffaker (via phone)

Staff in attendance:

Executive Services Director Allison Williams
City Attorney Steve Smith
Deputy Clerk Annagrisel Alvarez
Information Systems Support Jessi Saucedo
Public Works Director Rob Jammerman
Police Chief Steve Crown
Economic Development Director Steve King
Community Development Director Glen DeVries
Human Resources Director Kari Page
Finance Director Brad Posenjak
Engineering Services Manager Jacob Huylar
Human Resources Assistant Katlen Henke

4:30 p.m. Executive Session

Mayor Frank J. Kuntz called the executive session to order at 4:30 p.m. for the purpose of meeting in executive session.

Executive session:

- (1) To consider the acquisition of real estate when public knowledge regarding such consideration would cause a likelihood of increased price. RCW 42.30.110(1)(b).
- (2) To consider the minimum price at which real estate will be offered for sale when public knowledge regarding such consideration would cause a likelihood of decreased price. RCW 42.30.110(1)(c).
- (3) To discuss with legal counsel representing the city matters related to potential litigation to which the city may become a party when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. RCW 42.30.110(1)(i).

Councilmember Mark Kulaas made a motion to convene in executive session regarding real estate matters and city matters, for a time period not to exceed 35 minutes with legal counsel present. Councilmember Linda Herald seconded the motion. Motion carried (6-0).

Council adjourned from executive session at 5:07 p.m.

5:15 p.m. Regular Meeting

1. Call to Order, Pledge of Allegiance, and Roll Call

Mayor Frank J. Kuntz called the regular meeting to order at 5:15 p.m. Councilmember Mark Kulaas led the Pledge of Allegiance. The excused absence of Councilmember Mike Poirier due to illness was noted for the record. Keith Huffaker joined the meeting via telephone.

2. Consent Items

Motion by Councilmember Mark Kulaas to approve agenda, vouchers, and minutes from previous meetings, Councilmember Jim Bailey seconded the motion. Motion carried (6-0).

3. Citizen Requests/Comments

No citizen comments.

4. Presentations

- Veterans Day Proclamation read by Councilmember Mark Kulaas was presented to Dick Winn who invited attendees to the Veterans parade which will take place on Sunday, November 11 at 11:00 AM.
- Years of Service Awards was presented to employees who have reached milestones in their years of service by Kari Page. Employees present who were recognized: Toni Scherting for 30 years of service; Gary Faulkner and Julie McWiggins for 25 years of service; Bill Schneider, Maria Reyes and Allison Williams for 20 years of service; Dave Hendrickson for 10 years of service; Glen DeVries for 5 years of service.

Not present: Seth Buhler, Donald Nelson, Todd Davis, Nathan Hahn, Ron Wilson, Chris Wright, Devlin Walt, Tim Herdt, Kevin Battis, Josh Rader, Josh Winn. Kari thanked the Council for allowing employees to be honored at the Council meeting.

Before continuing with the meeting the Mayor asked Chief Crown and Chelan County Sheriff Chief Jason Reinfeld regarding an incident on Chelan Street earlier in the

afternoon. Chelan Street was barricaded and closed to traffic due to a search of a house. Due to safety reasons the regional SWAT team was called. The operation resulted in five arrests and a team effort by the City, Chelan County and the Columbia River Drug Task Force. Chief noted that CRDTF has been doing a great job and the regional effort is ideal to be able to take care of operations like this one.

5. Action Items

- A. First Amended and Restated Interlocal Cooperation Agreement for Fire Marshal and Other Related Services between the City of Wenatchee and Chelan County Fire Protection District No. 1

The staff report was presented by Executive Services Director, Allison Williams. Council asked questions.

Motion by Councilmember Linda Herald for City Council to authorize the Mayor's signature on the First Amended and Restated Interlocal Cooperation Agreement for Fire Marshal and Other Related Services between the City of Wenatchee and Chelan County Fire Protection District No. 1. Motion seconded by Councilmember Ruth Esparza. Motion carried (6-0).

- B. 2019 Emergency Management Contract

The staff report presented by Executive Services Director, Allison Williams. Council asked questions.

Motion by Councilmember Jim Bailey for City Council to authorize the Mayor's signature on the 2019 Agreement for Emergency Services between the City of Wenatchee and Chelan County Department of Emergency Management. Councilmember Lyle Markhart seconded the motion. Motion carried (6-0).

- C. 2019 Contract for Legal Services

The staff report was presented by Executive Services Director Allison Williams. Council asked questions.

Motion by Councilmember Mark Kulaas for City Council to confirm the Mayor's appointment of City Attorney and authorize the Mayor's signature on the Contract for Legal Services between the City and Steve D. Smith, of Davis, Arneil Law Firm, LLP. Councilmember Linda Herald seconded the motion. Motion carried (6-0).

- D. Western Avenue Safety Improvements – Project No. 1301

The staff report was presented by Engineering Services Manager Jacob Huylar. Council asked questions.

Motion by Councilmember Ruth Esparza for City Council to accept the work performed by the contractor, Bianchi Construction, on the Western Avenue Safety Improvements project, City Project No. 1301, and further authorize the Mayor to sign the Final Contract Voucher. Councilmember Lyle Marhart seconded the motion. Motion carried (6-0).

E. Public Bridge at Second Street - Wenatchee Reclamation District/McKittrick Place, LLC

The staff report was presented by Public Works Director Rob Jammerman. Council asked questions.

Motion by Councilmember Jim Bailey for City Council to authorize the Mayor to complete negotiations and final agreements with the Wenatchee Reclamation District and McKittrick Place, LLC for the construction of a public bridge and associated connections to the current city street system, and further authorize the Mayor to sign the agreements on behalf of the City. Councilmember Ruth Esparza seconded the motion. Motion carried (6-0).

F. Project 1713 Budget Amendment

The staff report was presented by Public Works Director Rob Jammerman. Council asked questions.

Motion by Councilmember Linda Herald for City Council to amend the project budget by \$158,500 to pay for the additional paving and roadway work and further authorize the Mayor to approve the construction change order. Councilmember Lyle Markhart seconded the motion. Motion carried (6-0).

G. Purchase and Sale Agreement – Mission/Kittitas Parking Lot

The staff report was presented by Economic Development Director Steve King. Council asked questions.

Motion by Councilmember Ruth Esparza for City Council to authorize the Mayor to sign a third amendment to the real estate purchase and sale agreement with Weidner Apartment Homes for the Mission and Kittitas parking lot, extending the due diligence period and an additional 90 days. Councilmember Jim Bailey seconded the motion. Motion carried (6-0).

H. Chelan Douglas Land Trust Annexation

The staff report was presented by Community Development Director Glen DeVries. Council asked questions.

Motion by Councilmember Mark Kulaas for City Council to approve Resolution No. 2018-36, fixing time for public hearing on petition for annexation of an unincorporated area located directly west of Phase VIII and IX of the Broadview neighborhood at the end of Maiden Lane also known as the Chelan Douglas Land Trust Annexation. Councilmember Linda Herald seconded the motion. Motion carried (6-0).

6. Reports

a. Mayor's Report.

The Mayor reported on the following:

- (1) City Hall is moving to the third floor of the Federal Building on the week of Thanksgiving. It will be hectic during this time of transition. Council meetings will still be held at the Council chambers until the end of the year.
- (2) The Mayor met with developers who are interested in Western Foothills. Will have conversation with School District to sort out some issues.
- (3) The Mayor held a "fireside chat" with the Police Department on Wednesday.
- (4) Attended Directors meeting today and Finance committee, went over Capital Facilities Budget, made a couple of changes.
- (5) Will attend Parkside Grand Opening at 1:30 tomorrow.
- (6) Tip a Cop event is this weekend in Bobs Burgers and Brews.
- (7) Mayor invited the Council to a tour of the jail on Thursday at 1:00 PM.

Executive Services Director Allison Williams added the following:

- (1) Employee breakfast will be next week on Thursday, November 1 at 7:30 AM.

b. Reports/New Business of Council Committees.

Councilmember Huffaker thanked the Mayor and the Finance Committee for assistance with getting the Solid Waste collection site going.

Councilmember Linda Herald might not be able to be present at next week's Council meeting. She will let us know and might call in the conference number.

Apple Blossom Auction is this weekend, the Mayor will be in attendance.

Linda Herald will attend the Applarian Ball in the Mayor's absence.

10. Adjournment. The regular meeting adjourned at 6:09 p.m.

Frank J. Kuntz, Mayor

Attest:

Annagrisel Alvarez, Deputy City Clerk

PROCLAMATION

WHEREAS, Global Entrepreneurship Week is an annual occurrence intended to inspire people to unleash their ideas and take the next step in their entrepreneurial journey, connecting them to potential collaborators, mentors and even investors.

WHEREAS, Global Entrepreneurship Week is a celebration of the innovators and job creators who launch startups that bring ideas to life, drive economic growth and expand human welfare.

WHEREAS, Global Entrepreneurship Week connects community members with a vibrant ecosystem of entrepreneurs, investors, researchers, policymakers and other startup champions.

WHEREAS, Millions of people take part in Global Entrepreneurship Week, across thousands of communities in 170 countries worldwide, during the second week in November.

NOW, THEREFORE, I, Frank J. Kuntz, Mayor of the City of Wenatchee, Washington, do hereby proclaim November 12 through 18, 2018, as **Global Entrepreneurship Week** in the City of Wenatchee and encourage and invite all citizens to attend the networking, mentoring, and educational events planned in recognition of this week.

IN WITNESS WHEREOF, I hereby set my hand and cause the seal of the City of Wenatchee to be affixed on this 1st day of November, 2018.



FRANK J. KUNTZ, Mayor



**COUNCIL AGENDA REPORT
FINANCE DEPARTMENT**

TO: Frank Kuntz, Mayor
City Council Members

FROM: Brad Posenjak, Finance Director

SUBJECT: Review 2018 November budget amendments

DATE: October 29, 2018

MEETING DATE: November 1, 2018

I. OVERVIEW

When the 2018 budget was adopted in 2017, many projects and budget needs were not anticipated. In July, the Council approved several budget amendments with Ordinance 2018-20 to provide the necessary legal authority to make purchases in the middle of the year.

As the end of the year approaches, City departments have worked with the Finance Department to determine which funds require additional budget authority. The budget amendment to be adopted on November 15, 2018, will provide the necessary legal authority to complete projects, provide resources, and fund positions already approved by the finance committee.

II. ACTION REQUESTED

None. This is an information presentation

III. FISCAL IMPACT

The budget amendments ensure several funds of the City will not exceed original budget appropriations, as required by law. These amendments have been reviewed by Finance Committee.

IV. ATTACHMENTS

Preliminary 2018 Budget Amendment #2

V. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk

**CITY OF WENATCHEE, WA
2018 Budget Amendment #2
Ordinance 2018-xx, Exhibit A**

Fund Title	Fund No.	Beginning Fund Balance	Revenue			Appropriations			Ending Fund Balance
			Amended Budget	Ordinance 2018-xx	Total Revenue	Amended Budget	Ordinance 2018-xx	Total Approp.	
General	001	5,500,000	24,652,950	750,000	25,402,950	26,263,510	765,310	27,028,820	3,874,130
Rainy Day	005	1,510,000	10,000	-	10,000	-	-	-	1,520,000
Public Arts	101	70,000	15,000	-	15,000	6,500	-	6,500	78,500
PFD .2% Sales Tax	102	-	2,500,000	-	2,500,000	2,500,000	-	2,500,000	-
Paths and Trails	103	11,000	2,800	-	2,800	-	-	-	13,800
Tourism Promotion Area	104	200,000	236,780	-	236,780	323,250	-	323,250	113,530
Hotel/Motel Tax - Capital Outlay	105	-	344,250	-	344,250	344,250	-	344,250	-
Convention Center	106	400,000	1,618,990	-	1,618,990	1,461,430	-	1,461,430	557,560
Hotel/Motel - Tourism	107	300,000	688,900	-	688,900	966,820	-	966,820	22,080
Street Maintenance	108	1,300,000	3,958,050	-	3,958,050	2,897,440	800,000	3,697,440	1,560,610
Arterial Streets	109	1,800,000	6,485,080	-	6,485,080	7,832,720	-	7,832,720	452,360
LEOFF 1 Long-Term Care	110	580,000	54,000	-	54,000	55,000	-	55,000	579,000
Street Overlay	111	1,600,000	2,602,000	-	2,602,000	2,157,660	-	2,157,660	2,044,340
Low Income Housing	113	60,000	36,250	-	36,250	43,500	-	43,500	52,750
Community Center	114	105,000	30,500	-	30,500	36,120	5,000	41,120	94,380
CDBG Entitlement	115	-	250,000	-	250,000	211,190	-	211,190	38,810
LEOFF 1 Retiree Health Insurance	116	685,000	256,600	-	256,600	307,100	30,000	337,100	604,500
Homeless Housing	117	300,000	1,089,670	-	1,089,670	1,299,540	-	1,299,540	90,130
Abatement	118	65,000	11,100	-	11,100	50,000	-	50,000	26,100
Transportation Benefit District	119	1,500,000	502,000	-	502,000	2,000,000	1,000	2,001,000	1,000
Police Station UTGO Bonds	201	(1,730)	327,830	-	327,830	326,100	-	326,100	-
LID Guarantee	204	80,000	-	-	-	-	1,000	1,000	79,000
Councilmanic LTGO Bonds	205	5,000	1,525,180	-	1,525,180	1,525,300	-	1,525,300	4,880
REET Capital Projects	301	400,000	600,000	-	600,000	223,050	-	223,050	776,950
Parks & Rec. Capital Projects	302	600,000	-	-	-	253,400	-	253,400	346,600
Econ. Development Capital Proj.	304	-	18,460,000	-	18,460,000	13,460,000	-	13,460,000	5,000,000
Local Revitalization Financing	307	4,000,000	540,000	-	540,000	3,999,950	-	3,999,950	540,050
Water and Sewer Utility	401	10,000,000	22,543,220	-	22,543,220	22,151,720	-	22,151,720	10,391,500
Storm Drain Utility	410	2,500,000	2,127,600	-	2,127,600	3,144,040	-	3,144,040	1,483,560
Regional Water	415	1,800,000	1,446,300	-	1,446,300	855,810	-	855,810	2,390,490
Solid Waste Utility	420	320,000	-	-	-	17,500	-	17,500	302,500
Regional Decant Facility	425	130,000	450,000	-	450,000	455,790	-	455,790	124,210
Cemetery	430	100,000	444,200	-	444,200	505,290	-	505,290	38,910
Equipment Rental O&M	501	370,000	909,600	-	909,600	1,064,790	-	1,064,790	214,810
Self Insurance	502	1,315,000	1,150,000	-	1,150,000	1,065,000	-	1,065,000	1,400,000
Equipment Rental Replacement	503	2,500,000	999,100	207,500	1,206,600	657,690	207,500	865,190	2,841,410
Facilities Maintenance	504	100,000	2,561,700	23,130	2,584,830	1,668,010	166,430	1,834,440	850,390
Information Systems	505	380,000	1,197,310	20,000	1,217,310	1,213,170	20,000	1,233,170	364,140
Cemetery Endowment	610	1,100,000	28,300	-	28,300	-	-	-	1,128,300
Firemen's Pension	611	1,700,000	44,000	-	44,000	165,500	-	165,500	1,578,500
		43,384,270	100,699,260	1,000,630	101,699,890	101,508,140	1,996,240	103,504,380	41,579,780

**COUNCIL AGENDA REPORT
FINANCE DEPARTMENT**

TO: Frank Kuntz, Mayor
City Council Members

FROM: Brad Posenjak, Finance Director

SUBJECT: 2019 Preliminary Budget Review

DATE: October 29, 2018

MEETING DATE: November 1, 2018

I. OVERVIEW

The City of Wenatchee plans to adopt the 2019 budget on November 15, 2018. The preliminary budget used the 2018 initial budget as its base, and then added regular salary and benefit increases, interfund billing adjustments, contract adjustments, and revenue projections. The Finance Department worked with the Mayor and Finance Committee to review operating budget requests from the department directors. At that point, the preliminary budget was presented to Council on October 11, 2018.

Since the October 11 meeting, the Finance Department worked with the Mayor and Finance Committee to review the capital budget requests from the departments. Substantially all of the capital requests have been included with the preliminary budget. In addition to the capital requests, several minor adjustments have been made to operating budgets. These adjustments have been reviewed by the Mayor and/or Finance Committee.

There may be a few changes or corrections in the next two weeks, but the final budget should look very similar to the attached preliminary budget summary.

II. ACTION REQUESTED

None. This is an information presentation

III. FISCAL IMPACT

None. Finance Committee has reviewed the preliminary budget and requests.

IV. ATTACHMENTS

2019 Preliminary Budget Summary

V. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk

2019 Preliminary Budget Summary

	2017 Actual	2018 Original Budget	2019 Preliminary 10/11/2018	2019 Preliminary 11/1/2018	Changes Since 10/11/18
General Fund					
Total					
Revenues	26,438,974	24,635,250	26,272,300	26,657,300	385,000
Expenses	25,796,901	25,434,510	28,310,430	29,578,120	1,267,690
Net Income	642,074	(799,260)	(2,038,130)	(2,920,820)	
Recurring					
Recurring Revenues	24,807,950	24,109,250	25,496,300	25,556,300	60,000
Recurring Expenses	21,928,303	24,107,260	25,487,440	25,553,630	66,190
Net Recurring	2,879,647	1,990	8,860	2,670	
Non-Recurring					
Non-Recurring Revenues	1,631,024	526,000	776,000	1,101,000	325,000
Non-Recurring Expenses	3,868,597	1,327,250	2,822,990	4,024,490	1,201,500
Net Non-Recurring	(2,237,573)	(801,250)	(2,046,990)	(2,923,490)	
Beginning fund balance	8,513,480	9,155,554	10,000,000	10,000,000	-
Ending fund balance	9,155,554	8,356,294	7,961,870	7,079,180	(882,690)
	42%	35%	31%	28%	

	2017 Actual	2018 Original Budget	2019 Preliminary 10/11/2018	2019 Preliminary 11/1/2018	Changes Since 10/11/18
All Other Funds					
Total					
Revenues	41,240,587	73,946,010	61,848,420	64,824,780	2,976,360
Expenses	38,030,407	68,423,300	64,406,970	67,984,240	3,577,270
Net Income	3,210,180	5,522,710	(2,558,550)	(3,159,460)	

	2017 Actual	2018 Original Budget	2019 Preliminary 10/11/2018	2019 Preliminary 11/1/2018	Changes Since 10/11/18
001 - General Fund					
005 - Defender/Court/Jail					
Expenses	3,256,093	3,446,170	3,421,140	3,421,140	-
007 - Human Resources					
Salaries & Benefits	216,044	248,580	244,860	244,860	-
Supplies & Services	37,877	52,550	52,510	52,510	-
Expenses	253,921	301,130	297,370	297,370	-
008 - Community & Building Safety					
Salaries & Benefits	720,598	809,720	881,800	881,800	-
Supplies & Services	138,443	128,880	139,080	139,080	-
Expenses	859,041	938,600	1,020,880	1,020,880	-
009 - Mayor/Council					
Salaries & Benefits	494,514	535,460	548,650	567,050	18,400
Supplies & Services	195,761	196,000	221,810	221,810	-
Expenses	690,275	731,460	770,460	788,860	18,400
010 - Civil Service					
Expenses	13,592	15,680	15,760	15,760	-
011 - Engineering					
Salaries & Benefits	894,651	1,002,020	1,176,360	1,176,360	-
Supplies & Services	112,912	144,180	193,990	193,990	-
Expenses	1,007,563	1,146,200	1,370,350	1,370,350	-
012 - Economic Development					
Salaries & Benefits	-	156,140	161,710	161,710	-
Supplies & Services	-	27,510	34,410	34,410	-
Expenses	-	183,650	196,120	196,120	-
013 - Finance					
Salaries & Benefits	700,718	633,850	662,520	662,520	-
Supplies & Services	137,805	151,340	163,310	163,310	-
Expenses	838,523	785,190	825,830	825,830	-
014 - Legal					
Expenses	424,011	485,030	499,580	499,580	-
015 - Community Development & Planning					
Salaries & Benefits	667,777	798,110	933,460	933,460	-
Supplies & Services	141,755	143,250	150,660	150,660	-
Expenses	809,532	941,360	1,084,120	1,084,120	-

	2017 Actual	2018 Original Budget	2019 Preliminary 10/11/2018	2019 Preliminary 11/1/2018	Changes Since 10/11/18
016 - Parks, Recreation and Cultural Services					
Salaries & Benefits	572,734	614,780	786,440	786,440	-
Supplies & Services	176,575	181,280	194,500	194,500	-
Expenses	749,308	796,060	980,940	980,940	-
017 - Museum					
Expenses	407,778	413,160	421,980	421,980	-
018 - Police					
Salaries & Benefits	5,888,669	6,508,270	7,016,420	7,058,070	41,650
Supplies & Services	1,280,667	1,385,550	1,393,940	1,393,940	-
Expenses	7,169,336	7,893,820	8,410,360	8,452,010	41,650
019 - Other Administration					
Supplies & Services	1,264,152	1,215,690	1,223,290	1,229,430	6,140
Transfers Out	3,027,715	3,799,420	3,618,000	3,618,000	-
Expenses	4,291,867	5,015,110	4,841,290	4,847,430	6,140
022 - Parks Ground Maintenance					
Salaries & Benefits	816,178	857,430	905,130	905,130	-
Supplies & Services	341,286	340,860	426,130	426,130	-
Expenses	1,157,465	1,198,290	1,331,260	1,331,260	-
023 - Non-Recurring Expenditures					
Salaries & Benefits	184,844	30,250	30,500	30,500	-
Supplies & Services	794,027	729,100	1,058,700	1,020,200	(38,500)
Capital Outlay	1,173,123	-	549,790	1,143,790	594,000
Transfers Out	1,716,604	384,250	1,184,000	1,830,000	646,000
Expenses	3,868,597	1,143,600	2,822,990	4,024,490	1,201,500
Total Expenses	25,796,901	25,434,510	28,310,430	29,578,120	1,267,690
General Revenues					
Sales Tax	9,010,844	9,000,000	9,400,000	9,400,000	-
Sales Tax (non-recurring)	626,000	500,000	600,000	600,000	-
Utility Taxes	6,551,469	6,524,240	6,749,240	6,789,240	40,000
Property Tax	3,193,051	3,343,480	3,773,780	3,773,780	-
Other Taxes	1,099,953	1,063,000	1,100,000	1,100,000	-
Licenses & Permits	1,067,102	777,500	960,500	960,500	-
Intergovernmental	801,348	793,050	739,400	739,400	-
Grants (non-recurring)	570,514	26,000	176,000	501,000	325,000
Charges for Services	1,684,569	1,312,220	1,414,620	1,414,620	-
Fines & Penalties	1,030,478	962,500	1,003,000	1,003,000	-
PILOT	257,400	260,400	260,400	260,400	-
Miscellaneous	111,735	72,860	95,360	115,360	20,000
Miscellaneous (non-recu)	434,510	-	-	-	-
Total General Revenue	26,438,974	24,635,250	26,272,300	26,657,300	385,000

	2018 Original Budget	2019 Preliminary 10/11/2018	2019 Preliminary 11/1/2018	Changes Since 10/11/18
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005 - Rainy Day

Expenses	-	-	-	-	-
Revenues	509,517	10,000	511,000	511,000	-
Net Income	509,517	10,000	511,000	511,000	
Beginning Fund Balance	1,007,143	1,516,660	1,530,000	1,530,000	
Ending Fund Balance	1,516,660	1,526,660	2,041,000	2,041,000	

101 - Public Arts

Expenses	1,500	6,500	9,000	9,000	-
Revenues	6,067	15,000	15,500	15,500	-
Net Income	4,567	8,500	6,500	6,500	
Beginning Fund Balance	68,285	72,853	70,000	70,000	
Ending Fund Balance	72,853	81,353	76,500	76,500	

102 - PFD .2% Sales Tax

Expenses	2,219,540	2,500,000	2,600,000	2,600,000	-
Revenues	2,219,540	2,500,000	2,600,000	2,600,000	-
Net Income	-	-	-	-	
Beginning Fund Balance	-	-	-	-	
Ending Fund Balance	-	-	-	-	

103 - Paths & Trails

Expenses	-	-	-	-	-
Revenues	3,197	2,800	3,000	3,000	-
Net Income	3,197	2,800	3,000	3,000	
Beginning Fund Balance	9,991	13,188	15,000	15,000	
Ending Fund Balance	13,188	15,988	18,000	18,000	

104 - Tourism Promotion Area

Expenses	329,356	300,000	300,000	275,000	(25,000)
Revenues	238,432	236,780	251,000	251,000	-
Net Income	(90,924)	(63,220)	(49,000)	(24,000)	
Beginning Fund Balance	256,808	165,884	100,000	75,000	
Ending Fund Balance	165,884	102,664	51,000	51,000	

105 - Hotel/Motel Tax - Cap Outlay

Expenses	349,114	344,250	362,500	362,500	-
Revenues	331,644	344,250	362,500	362,500	-
Net Income	(17,470)	-	-	-	
Beginning Fund Balance	64,046	46,575	-	-	
Ending Fund Balance	46,575	46,575	-	-	

	2017 Actual	2018 Original Budget	2019 Preliminary 10/11/2018	2019 Preliminary 11/1/2018	Changes Since 10/11/18
106 - Convention Center					
Expenses	1,570,665	1,461,430	1,426,640	1,426,640	-
Revenues	1,369,628	1,618,990	1,469,490	1,470,360	870
Net Income	(201,037)	157,560	42,850	43,720	
Beginning Fund Balance	653,753	452,716	400,000	400,000	
Ending Fund Balance	452,716	610,276	442,850	443,720	
107 - Hotel/Motel Tax - Tourism					
Expenses	657,870	966,820	805,920	805,920	-
Revenues	666,133	688,900	727,000	727,000	-
Net Income	8,262	(277,920)	(78,920)	(78,920)	
Beginning Fund Balance	363,470	371,732	200,000	200,000	
Ending Fund Balance	371,732	93,812	121,080	121,080	
108 - Streets					
Expenses	2,916,825	2,897,440	3,239,180	3,640,760	401,580
Revenues	3,330,249	3,958,050	3,563,300	3,563,300	-
Net Income	413,425	1,060,610	324,120	(77,460)	
Beginning Fund Balance	1,292,793	1,706,218	2,500,000	2,500,000	
Ending Fund Balance	1,706,218	2,766,828	2,824,120	2,422,540	
109 - Arterial Streets					
Expenses	1,955,958	7,792,720	7,792,720	5,870,270	(1,922,450)
Revenues	2,735,678	6,485,080	6,642,280	5,574,660	(1,067,620)
Net Income	779,720	(1,307,640)	(1,150,440)	(295,610)	
Beginning Fund Balance	854,530	1,634,251	500,000	500,000	
Ending Fund Balance	1,634,251	326,611	(650,440)	204,390	
110 - LEOFF 1 Long Term Care					
Expenses	87,490	55,000	55,000	55,000	-
Revenues	123,309	54,000	56,000	56,000	-
Net Income	35,819	(1,000)	1,000	1,000	
Beginning Fund Balance	578,587	614,406	615,000	615,000	
Ending Fund Balance	614,406	613,406	616,000	616,000	
111 - Street Overlay					
Expenses	360,458	2,157,660	2,157,660	1,575,000	(582,660)
Revenues	662,388	2,602,000	2,594,000	1,044,000	(1,550,000)
Net Income	301,930	444,340	436,340	(531,000)	
Beginning Fund Balance	1,422,161	1,724,091	2,100,000	2,100,000	
Ending Fund Balance	1,724,091	2,168,431	2,536,340	1,569,000	

	2017 Actual	2018 Original Budget	2019 Preliminary 10/11/2018	2019 Preliminary 11/1/2018	Changes Since 10/11/18
112 - Impact Fees					
Expenses	-	-	-	-	-
Revenues	277	-	200	200	-
Net Income	277	-	200	200	
Beginning Fund Balance	32,605	32,881	32,700	32,700	
Ending Fund Balance	32,881	32,881	32,900	32,900	
113 - Low Income Housing					
Expenses	61,706	43,500	43,500	43,500	-
Revenues	41,089	36,250	36,250	36,250	-
Net Income	(20,617)	(7,250)	(7,250)	(7,250)	
Beginning Fund Balance	91,005	70,389	60,000	60,000	
Ending Fund Balance	70,389	63,139	52,750	52,750	
114 - Community Center					
Expenses	43,367	36,120	32,510	32,510	-
Revenues	30,938	30,500	31,000	31,000	-
Net Income	(12,430)	(5,620)	(1,510)	(1,510)	
Beginning Fund Balance	95,007	82,578	90,000	90,000	
Ending Fund Balance	82,578	76,958	88,490	88,490	
115 - CDBG Entitlement					
Expenses	273,322	211,190	359,670	359,670	-
Revenues	286,051	250,000	242,460	242,460	-
Net Income	12,729	38,810	(117,210)	(117,210)	
Beginning Fund Balance	(245)	12,484	117,210	117,210	
Ending Fund Balance	12,484	51,294	-	-	
116 - LEOFF 1 Retiree Health Insurance					
Expenses	285,102	307,100	322,600	322,600	-
Revenues	337,649	256,600	145,000	145,000	-
Net Income	52,546	(50,500)	(177,600)	(177,600)	
Beginning Fund Balance	648,423	700,969	650,000	650,000	
Ending Fund Balance	700,969	650,469	472,400	472,400	
117 - Homeless Funds					
Expenses	1,342,250	1,299,540	1,299,540	1,299,540	-
Revenues	1,217,212	1,089,670	1,089,670	1,089,670	-
Net Income	(125,038)	(209,870)	(209,870)	(209,870)	
Beginning Fund Balance	679,403	554,364	400,000	400,000	
Ending Fund Balance	554,364	344,494	190,130	190,130	

	2017 Actual	2018 Original Budget	2019 Preliminary 10/11/2018	2019 Preliminary 11/1/2018	Changes Since 10/11/18
118 - Abatement					
Expenses	28,504	25,000	40,000	40,000	-
Revenues	17,962	11,100	11,100	11,100	-
Net Income	(10,542)	(13,900)	(28,900)	(28,900)	
Beginning Fund Balance	82,939	72,398	60,000	60,000	
Ending Fund Balance	72,398	58,498	31,100	31,100	
119 - Transportation Benefit District					
Expenses	108,799	2,000,000	2,000,000	497,530	(1,502,470)
Revenues	635,111	502,000	502,000	502,000	-
Net Income	526,312	(1,498,000)	(1,498,000)	4,470	
Beginning Fund Balance	1,275,933	1,802,245	1,500,000	500,000	
Ending Fund Balance	1,802,245	304,245	2,000	504,470	
201 - Police Station GO Bonds					
Expenses	326,035	326,100	326,040	326,040	-
Revenues	324,409	327,830	327,830	327,830	-
Net Income	(1,626)	1,730	1,790	1,790	
Beginning Fund Balance	(7,657)	(9,283)	-	-	
Ending Fund Balance	(9,283)	(7,553)	1,790	1,790	
205 - Councilmanic Bond Fund					
Expenses	1,221,340	1,525,300	2,168,800	2,168,800	-
Revenues	1,223,352	1,525,180	2,170,800	2,170,800	-
Net Income	2,012	(120)	2,000	2,000	
Beginning Fund Balance	4,470	6,482	5,000	5,000	
Ending Fund Balance	6,482	6,362	7,000	7,000	
301 - RE Excise Tax Cap Projects					
Expenses	214,011	223,050	554,750	554,750	-
Revenues	634,127	600,000	582,000	582,000	-
Net Income	420,116	376,950	27,250	27,250	
Beginning Fund Balance	69,986	490,102	800,000	800,000	
Ending Fund Balance	490,102	867,052	827,250	827,250	
302 - Parks & Recreation Capital Projects					
Expenses	1,582,204	253,400	-	4,497,010	4,497,010
Revenues	1,664,893	-	2,000	4,270,430	4,268,430
Net Income	82,689	(253,400)	2,000	(226,580)	
Beginning Fund Balance	162,495	245,184	150,000	250,000	
Ending Fund Balance	245,184	(8,216)	152,000	23,420	

	2017 Actual	2018 Original Budget	2019 Preliminary 10/11/2018	2019 Preliminary 11/1/2018	Changes Since 10/11/18
304 - Economic Development Capital Projects					
Expenses	2,432,602	8,360,000	-	6,100,000	6,100,000
Revenues	2,929,081	18,460,000	14,530,000	15,030,000	500,000
Net Income	496,479	10,100,000	14,530,000	8,930,000	
Beginning Fund Balance	-	496,479	-	-	
Ending Fund Balance	496,479	10,596,479	14,530,000	8,930,000	
307 Local Revitalization Financing Program					
Expenses	2,558,454	3,999,950	4,634,950	4,436,950	(198,000)
Revenues	589,524	540,000	550,000	550,000	-
Net Income	(1,968,930)	(3,459,950)	(4,084,950)	(3,886,950)	
Beginning Fund Balance	6,500,847	4,531,917	4,100,000	4,100,000	
Ending Fund Balance	4,531,917	1,071,967	15,050	213,050	
401 - Water Utility					
Expenses	11,534,283	7,527,900	8,257,600	7,494,370	(763,230)
Revenues	12,515,991	5,185,150	5,441,550	5,441,550	-
Net Income	981,708	(2,342,750)	(2,816,050)	(2,052,820)	
Beginning Fund Balance	10,839,777	3,000,000	3,000,000	3,000,000	
Ending Fund Balance	11,821,485	657,250	183,950	947,180	
405 - Sewer Utility					
Expenses	-	14,623,820	15,130,450	11,344,650	(3,785,800)
Revenues	-	17,358,070	7,534,750	7,536,750	2,000
Net Income	-	2,734,250	(7,595,700)	(3,807,900)	
Beginning Fund Balance	-	7,000,000	8,000,000	8,000,000	
Ending Fund Balance	-	9,734,250	404,300	4,192,100	
410 - Storm Drain Utility					
Expenses	1,635,154	2,733,260	3,124,650	3,552,870	428,220
Revenues	2,364,625	2,127,600	2,381,800	3,056,800	675,000
Net Income	729,471	(605,660)	(742,850)	(496,070)	
Beginning Fund Balance	3,078,840	3,808,311	4,000,000	4,000,000	
Ending Fund Balance	3,808,311	3,202,651	3,257,150	3,503,930	
415 - Regional Water					
Expenses	1,380,567	855,810	1,104,650	1,093,560	(11,090)
Revenues	1,330,066	1,446,300	1,453,000	1,600,680	147,680
Net Income	(50,501)	590,490	348,350	507,120	
Beginning Fund Balance	2,037,835	1,987,334	2,500,000	2,500,000	
Ending Fund Balance	1,987,334	2,577,824	2,848,350	3,007,120	

	2017 Actual	2018 Original Budget	2019 Preliminary 10/11/2018	2019 Preliminary 11/1/2018	Changes Since 10/11/18
420 - Solid Waste Utility					
Expenses	-	11,500	21,500	96,500	75,000
Revenues	2,820	-	2,500	2,500	-
Net Income	2,820	(11,500)	(19,000)	(94,000)	
Beginning Fund Balance	317,544	320,364	320,000	320,000	
Ending Fund Balance	320,364	308,864	301,000	226,000	
425 - Regional Decant Facility					
Expenses	78,454	455,790	532,290	473,290	(59,000)
Revenues	95,307	450,000	450,000	450,000	-
Net Income	16,853	(5,790)	(82,290)	(23,290)	
Beginning Fund Balance	95,430	112,283	100,000	100,000	
Ending Fund Balance	112,283	106,493	17,710	76,710	
430 - Cemetery					
Expenses	399,580	455,990	505,380	505,380	-
Revenues	383,874	394,900	561,900	561,900	-
Net Income	(15,706)	(61,090)	56,520	56,520	
Beginning Fund Balance	3,492	(12,214)	-	-	
Ending Fund Balance	(12,214)	(73,304)	56,520	56,520	
501 - Equipment Rental O&M					
Expenses	956,012	1,064,790	1,066,420	1,066,420	-
Revenues	934,065	909,600	911,800	911,800	-
Net Income	(21,947)	(155,190)	(154,620)	(154,620)	
Beginning Fund Balance	375,328	353,381	330,000	330,000	
Ending Fund Balance	353,381	198,191	175,380	175,380	
502 - Self Insurance Fund					
Expenses	957,754	1,065,000	1,050,000	1,050,000	-
Revenues	1,046,060	1,150,000	1,003,000	1,003,000	-
Net Income	88,306	85,000	(47,000)	(47,000)	
Beginning Fund Balance	1,288,680	1,376,986	1,315,000	1,315,000	
Ending Fund Balance	1,376,986	1,461,986	1,268,000	1,268,000	
503 - Equipment Rental Replacement					
Expenses	570,837	657,690	758,920	758,920	-
Revenues	1,307,297	999,100	979,100	979,100	-
Net Income	736,459	341,410	220,180	220,180	
Beginning Fund Balance	1,881,154	2,617,613	2,800,000	2,800,000	
Ending Fund Balance	2,617,613	2,959,023	3,020,180	3,020,180	

	2017 Actual	2018 Original Budget	2019 Preliminary 10/11/2018	2019 Preliminary 11/1/2018	Changes Since 10/11/18
504 - Facility Maintenance Fund					
Expenses	668,966	501,010	770,470	1,670,630	900,160
Revenues	688,340	510,700	704,700	704,700	-
Net Income	19,373	9,690	(65,770)	(965,930)	
Beginning Fund Balance	155,443	174,816	1,500,000	1,500,000	
Ending Fund Balance	174,816	184,506	1,434,230	534,070	
505 - Information Systems					
Expenses	1,206,291	1,213,170	1,388,160	1,413,160	25,000
Revenues	1,294,360	1,197,310	1,333,940	1,333,940	-
Net Income	88,068	(15,860)	(54,220)	(79,220)	
Beginning Fund Balance	152,220	240,288	300,000	300,000	
Ending Fund Balance	240,288	224,428	245,780	220,780	
610 - Cemetery Endowment Fund					
Expenses	-	-	-	-	-
Revenues	30,756	28,300	28,000	28,000	-
Net Income	30,756	28,300	28,000	28,000	
Beginning Fund Balance	1,084,345	1,115,101	1,100,000	1,100,000	
Ending Fund Balance	1,115,101	1,143,401	1,128,000	1,128,000	
611 - Firemens' Pension Fund					
Expenses	148,636	165,500	165,500	165,500	-
Revenues	48,650	44,000	47,000	47,000	-
Net Income	(99,986)	(121,500)	(118,500)	(118,500)	
Beginning Fund Balance	1,771,707	1,671,721	1,550,000	1,550,000	
Ending Fund Balance	1,671,721	1,550,221	1,431,500	1,431,500	

COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council Members

FROM: Allison Williams, Executive Services Director

SUBJECT: Lease Agreement between the City of Wenatchee and Lineage Logistics LLC

DATE: October 29, 2018

Background: The City of Wenatchee has water intake infrastructure and pier that had been associated with the city's water plant at the end of 5th. After ceasing operations by the city, the water intake structure has been operated by the adjacent operator, Columbia Colstor on ten year intervals. The most recent lease is ending December 31. As a result of the lease term ending, staff did a replacement cost analysis of the annual lease amount and proposed a new ten year lease to Lineage Logistics LLC, the successor company to Columbia Colstor.

A red-lined version of this lease agreement is included for your consideration and has already been acted on by Lineage. Staff recommends approval of the lease agreement.

Budget Impact: The prior lease amount was \$335.00 annually plus leasehold excise tax. The new lease amount is \$6623.87 plus leasehold excise tax.

Action Requested: A motion to authorize the Mayor's Signature lease agreement between the City of Wenatchee and Lineage Logistics LLC.

LEASE AGREEMENT

THIS LEASE AGREEMENT made this ____ day of _____, 2018, between the CITY OF WENATCHEE, a municipal corporation, hereinafter referred to as “Lessor” and LINEAGE ~~COLUMBIALOGISTICS~~, LLC, a ~~Washington-Delaware~~ limited liability company, hereinafter referred to as “Lessee.”

WITNESSETH:

1. The Lessor, for and in consideration of the covenants and agreements set forth in this lease agreement, does hereby lease to Lessee the access bridge and intake structure (the “bridge facilities”) located in the Columbia River. Such bridge facilities being particularly described on Exhibit “A” attached hereto and incorporated herein by reference.

2. The term of the lease shall continue until terminated on December 31, 2028. Lessee shall have the right to terminate this lease agreement for any reason upon twelve (12) months’ prior written notice.

3. The Lessee covenants and agrees as partial consideration to pay the sum of \$6,623 per year as rent to Lessor. In addition, Lessee agrees to pay to Lessor the amount of the leasehold excise tax as provided by RCW 82.29A. Said rent and leasehold tax shall be paid by March 1, 2019, and by March 1 of each year thereafter during the term of this lease.

4. Lessee covenants and agrees during the term of this lease to totally maintain and repair the bridge facilities consisting of bridge and intake structure so that at all times during the term of this lease such facilities shall remain in their present condition aside from normal wear and tear.

In the event Lessor installs a water withdrawal system on the bridge facilities in accord with Section 5 below, Lessor and Lessee shall share equally in the cost of maintenance or repairs needed to the bridge and intake structure during the remaining term of this lease.

5. Lessee's right to use the bridge facilities is exclusive, except as provided herein. Lessor reserves the right to use the bridge facilities for municipal and/or irrigation water withdrawal equipment, including pumps and pipes. Any modifications to Lessee's existing system to accommodate Lessor's system shall be made at the expense of Lessor. Lessor shall give Lessee at least 90 days advance written notice of any changes needed to Lessee's system to accommodate Lessor's system and thereafter the parties shall work cooperatively together to ensure that the Lessee has uninterrupted capability to withdraw water from the Columbia River. Lessor hereby acknowledges and understands that uninterrupted water withdrawal by Lessee is critically important to Lessee's business.

6. During the term of this ~~H~~lease, Lessee shall indemnify and save and hold harmless the Lessor from any and all claims, suits, losses, and damages, or expenses, on account of or arising out of Lessee's enjoyment of this lease and any and all damages to property to whomever belonging, including property owned by, rented to, or in the care, custody, or control of the parties hereto arising or growing out of or in any manner connected with this ~~H~~lease ~~a~~Agreement. The Lessee further agrees that it will defend at its own expense and in the name of and on behalf of the Lessor all claims or suits for damages of whatsoever nature arising or growing out of the ~~H~~lease ~~a~~Agreement for which the Lessor is liable or is alleged to be liable during the term of this lease. This provision shall not apply to any claims, suits, losses, damages or expenses arising from or related in any way to Lessor's negligence or willful misconduct or Lessor's installation

of water withdrawal equipment on the bridge facilities and the Lessor's subsequent withdrawal of water from the Columbia River.

7. Lessee shall maintain during the term of this lease such general liability insurance as will provide coverage for claims for damages for personal injury including accidental death as well as for claims for property damage which may arise directly or indirectly from performance of the work under this contract. Coverage for property damage shall be on a "broad form" basis. The amount of insurance to be provided shall not be less than One Million Dollars (\$1,000,000) for bodily injury for each occurrence, with coverage for property damage of not less than One Hundred Thousand Dollars (\$100,000).

8. Lessee shall obtain all permits and licenses necessary for Lessee's possession, operation and use of the property. Lessee shall comply with all laws, rules, regulations and ordinances applicable to Lessee's use, possession and operation of the property, and if compliance with any such law, rule, regulation, ordinance, permit or license requires changes or additions to be made to the property, such changes or additions shall be made by Lessee at Lessee's own expense. In the event any governmental agency by final binding order directs either Lessor or Lessee to remove the designated facilities leased hereunder from the Columbia River, then in that event, Lessee shall remove such facilities at its own cost and expense.

9. Without the prior written consent of the Lessor, Lessee shall not assign, transfer, pledge or hypothecate this ~~L~~ease, the property or any part thereof, or any interest therein, or sublet the property or any part thereof; provided, however that any such assignment, transfer, pledge or hypothecation by Lessee to an entity controlling, controlled by or under shared control with Lessee shall not require the prior written consent of Lessor.

10. It is the intent of the Lessor and Lessee that the lease agreement previously entered into between Lessor and Lessee dated October 9, 2008, which was to terminate December 31, 2018, be superseded by this ~~L~~ease ~~a~~Agreement.

DATED this _____ day of _____, 2018.

CITY OF WENATCHEE, a municipal corporation

By: _____
FRANK KUNTZ, Mayor

Attest:

TAMMY STANGER, City Clerk

LINEAGE ~~COLUMBIA~~LOGISTICS, LLC

By:

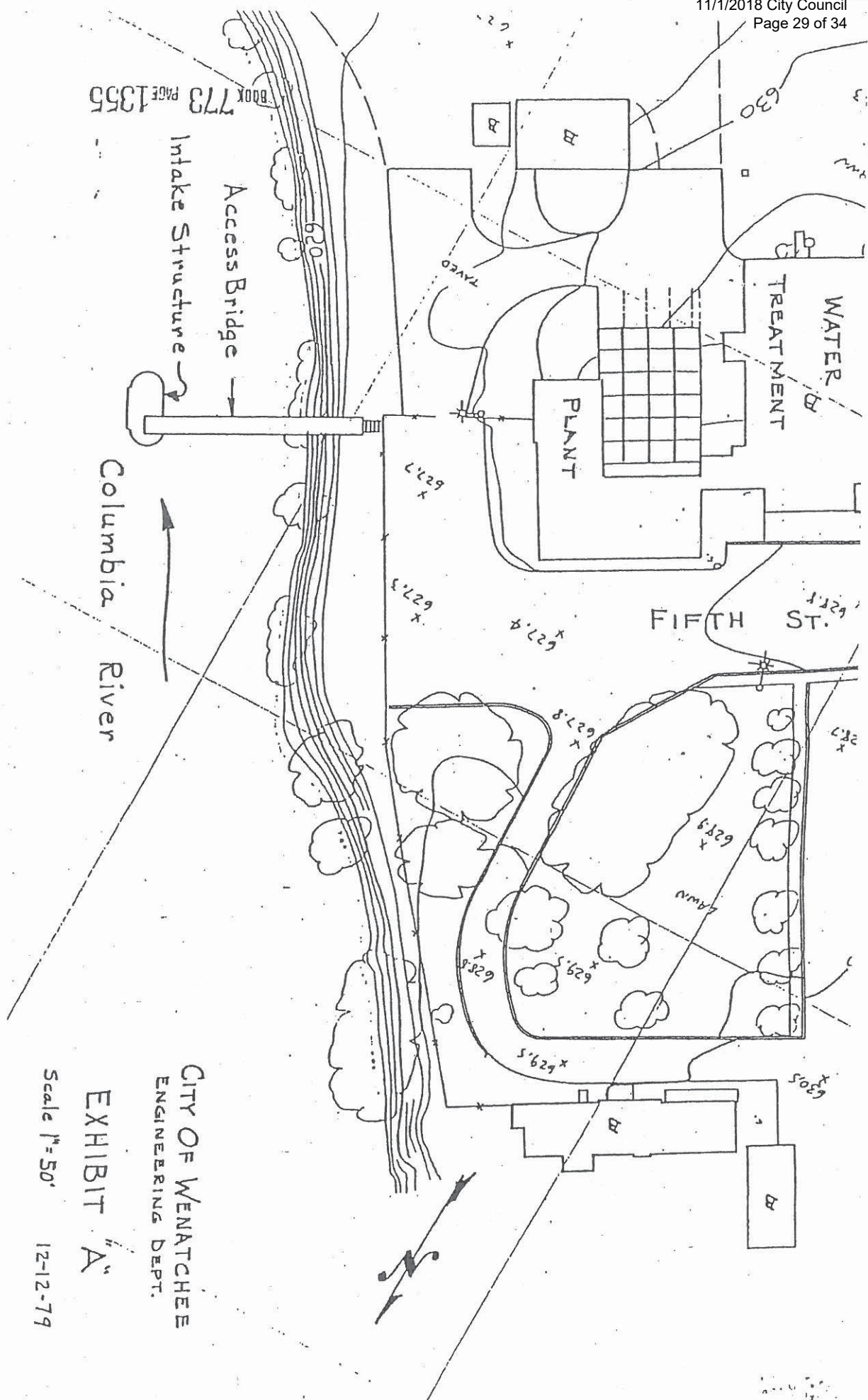


~~HOUSTON JOHNSON~~ WILLIAM HILL, General

Manager

(PRINT NAME) Secretary

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CITY OF WENATCHEE
ENGINEERING DEPT.
EXHIBIT "A"

Scale 1"=50' 12-12-79

COUNCIL AGENDA REPORT
City of Wenatchee



TO: Frank Kuntz, Mayor
City Council

FROM: Steve King, Economic Development Director

SUBJECT: Contaminated Soils Disposal Agreement

DATE: October 28, 2018

MEETING DATE: November 1, 2018

I. OVERVIEW

The City began the process of preparing the former public works site at 25 N. Worthen Street to be surplus and sold after the city vacated the site in 2009. Utilizing a Department of Ecology Integrated Planning grant, the city characterized the extent of environmental contamination, developed a redevelopment plan for a hotel or related land use, and established a cleanup procedure and plan to allow sale of the property.

During the winter of 2016 – 2017, the city issued a contract for capping the site and secured a No Further Action determination later in the spring of 2017 while negotiating sale of the property to A&A Development (now WenDBR, LLC). As part of the negotiation, the city agreed through the purchase and sale agreement to be responsible for disposal of any contaminated soil that was exposed during construction of a hotel. The attached settlement agreement specifies those provisions of the purchase and sale agreement that apply.

The city anticipated that there would be some costs associated with disposal as a result of construction given the trenches needed for water, sewer, storm, parking lot lighting, foundations, elevator pits, and swimming pools. City staff at the time had estimated that those costs would be on the order of \$50,000 to \$100,000 depending on the limits of excavation. During the development of the hotel, additional parking was required by Hilton and thus additional soil contamination removal was required bringing the total requested reimbursement up to \$184,079.81. The city was provided copies of all invoices of which the majority of the costs were associated with disposal of contaminated soils at the landfill. A&A development agreed to not charge the city for backfill given these unanticipated costs.

After discussions with A&A Development and review of the documentation, it is staff's recommendation to authorize expenditure of these funds to satisfy the terms of the contract. The attached settlement agreement also closes and completes the city's obligation in the purchase agreement.

The city attorney drafted the attached settlement agreement as an instrument to fulfill the terms of the agreement and to release any further obligation of the city.

II. ACTION REQUESTED

Staff recommends the City Council authorize the Mayor to sign a settlement agreement with WenDBR, LLC. in the amount of \$184,079.81 to satisfy contractual obligations associated with disposal of contaminated soils at 25 North Worthen Street.

COUNCIL AGENDA REPORT
City of Wenatchee



III. FISCAL IMPACT Submitted to the Finance Committee Yes No

Wenatchee Waterfront Local Revitalization Funding will be used to pay for the associated settlement. The same funding was used for the initial site cleanup. There will be no General Fund impact. City staff anticipates receiving some funding from the Washington State Department of Ecology which would reimburse the local revitalization funding account.

IV. PROPOSED PROJECT SCHEDULE

N/A

V. REFERENCE(S)

1. Settlement Agreement

VI. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Allison Williams, Executive Services Director
Brad Posenjak, Finance Director

**SETTLEMENT AND RELEASE AGREEMENT
RE: CONTAMINATED SOILS**

Settlement and Release Agreement related to contaminated soils by and between WenDBR, LLC and the City of Wenatchee. The parties may be referred to individually as a “Party” or collectively as the “Parties.”

I. RECITALS

- 1.1 WenDBR, LLC. WenDBR, LLC, a Washington limited liability company (“WenDBR”), is the Purchaser under that certain Real Estate Purchase and Sale Agreement dated November 5, 2015, including addenda thereto (collectively the “Agreement”) covering the purchase and sale of the property located at 25 N. Worthen, Wenatchee, Washington.
- 1.2 Wenatchee. The City of Wenatchee, a municipal corporation of the state of Washington (“City”), is the Seller under the Agreement.
- 1.3 Contaminated Soils. Paragraph 33e of the Seventh Addendum/Amendment to the Agreement reads as follows:

“33e. Site Management Plan. Purchaser acknowledges it has received and approved the site management plan dated March 14, 2016. Revisions to the site management plan may be required based upon the design of the Purchaser. The Purchaser agrees to abide by the terms of the site management plan as provide unless otherwise modified. The Purchaser agrees to install all underground utilities. This installation will require breach of the cap. Purchaser may also find it necessary to auger in piles to support the building foundation which would breach the cap. Soil handling from the utility trench work and piling work shall be in accordance with the site management plan. The Purchaser agrees to stockpile spoils from the utility trenches and any auger work related to piles for the foundation, and the Seller agrees to haul off and dispose of all contaminated spoils at Seller’s expense. Additionally, the Seller agrees to replace spoils with suitable trench backfill material. This provision shall survive closing.”

- 1.4 Costs. WenDBR incurred costs of One Hundred Eighty-Four Thousand Seventy-Nine Dollars and Eighty-One Cents (\$184,079.81) for the export and disposal costs associated with the development of the property.

II. AGREEMENT

- 2.1 Recitals. The foregoing recitals are incorporated herein as if fully set forth.

- 2.2 Payment. In consideration of full satisfaction of the Agreement, including Section 33e of the Seventh Amendment, and all other obligations of the Seller as it relates to contaminated and unsuitable soils, City shall pay WenDBR the sum of One Hundred Eighty-Four Thousand Seventy-Nine Dollars and Eighty-One Cents (\$184,079.81) within twenty (20) days of mutual acceptance of this Agreement.
- 2.3 Release. WenDBR hereby releases, acquits, and forever discharges the City, its officers, employees, and agents, who might be liable of and from any and all actions, causes of action, claims, demands, damages, costs, loss of use, loss of profits and expenses and compensation of every nature, on account of, or in any way growing out of the environmental remediation and disposal of contaminated soils on the subject property.

This Release applies to each Party, and all of their/its past, present and future officers, directors, agents and employees and their respective predecessors, successors, and assigns.

III. MISCELLANEOUS

- 4.1 Any amendments to this Agreement shall be reduced to writing and signed by all Parties.
- 4.2 This Agreement shall be binding upon and inure to the successors and assigns of each of the Parties hereto.
- 4.3 In the event of a dispute over the interpretation or enforcement of the terms of this Agreement, the Parties agree that the venue for any court action shall be Chelan County Superior Court. The Parties further agree to bear their own attorney's fees and costs incurred therein.
- 4.4 Each Party has had a full and adequate opportunity to consult with legal counsel of its choosing to review and provide input on the terms of this Agreement. No party shall be deemed the drafter of this Agreement for purposes of interpretation.
- 4.5 The effective date of this Agreement shall be the last signature date of the Parties below.

WenDBR, LLC

By _____
BILL LAWSON, Managing Member
Date: _____

CITY OF WENATCHEE

By _____
FRANK KUNTZ, Mayor
Date: _____