



WENATCHEE CITY COUNCIL

Thursday, January 10, 2019

Wenatchee City Hall
301 Yakima Street, 2nd Floor
Wenatchee, WA 98801

AGENDA

4:30 p.m. Executive Session

Executive session:

- (1) To discuss with legal counsel representing the agency matters relating to potential litigation to which the agency is likely to become a party when public knowledge regarding the discussion is likely to result in an adverse legal consequence to the agency. (RCW 42.30.110(1)(i));
- (2) 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);
- (3) 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).

5:15 p.m. Regular 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:

Payroll distribution in the amount of \$3,374.49 for December 5, 2018

Payroll distribution in the amount of \$64,542.34 for December 5, 2018

Claim checks #188614 through #188686 in the amount of \$1,332,096.23 for December 6, 2018

Claim checks #188687 through #188785 in the amount of \$363,265.08 for December 13, 2018

Claim checks #188786 through #188946 in the amount of \$2,533,899.69 for December 20, 2018

Payroll distribution in the amount of \$329,000.00 for December 20, 2018

DOR Wire #1455 and #1456 in the amount of \$39,482.89 for December 26, 2018

Claim checks #188962 through #189000 in the amount of \$1,182,133.35 for December 28, 2018

Payroll distribution (retirees) in the amount of \$11,661.81 for December 31, 2018

Payroll distribution in the amount of \$425,097.03 for December 31, 2018

Benefits/deductions in the amount of \$974,664.23 for December 31, 2018

Claim checks #189001 through #189009 in the amount of \$14,893.39 for December 31, 2018

Claim checks #189010 through #189018 in the amount of \$91,770.36 for January 2, 2019

Payroll distribution in the amount of \$6,738.77 for January 4, 2019

Claim checks #189019 through #189051 in the amount of \$36,157.44 for January 4, 2019

- Motion for City Council to ratify the Mayor's signature on Lease Amendment No. 1 with American Behavioral Health Solutions, Inc., for Parkside.

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.

- Wenatchee School Choice Week Proclamation
- Housing Code Update

5. Public Hearing Item.

- A. Cryptocurrency Mining and Data Center Code Revisions
Presented by Community Development Staff

Motion to adopt Ordinance No. 2019-02, amending Chapters 10.08 Definitions, 10.10 District Use Chart, and 10.48 General Regulations, of the Wenatchee City Code (WCC) relating to cryptocurrency mining and data centers, terminating the interim official control imposed by Ordinance No. 2018-04, and establishing an effective date.

6. Action Items.

- B. Interagency Agreement Extension for Community Survey with WSU
Presented by Police Captain Edgar Reinfeld

Motion for City Council to provide authorization for the Mayor to sign the attachment amendment to the agreement with Washington State University.

- C. Ordinance Establishing Compensation for the Mayor
Presented by Human Resources Director Kari Page

Motion for City Council to adopt Ordinance No. 2019-01, establishing compensation for the Mayor, amending Ordinance No. 2007-38, codified at WCC 1.06.040, to the extent it is inconsistent with this Ordinance, and providing for an effective date.

- D. Authorization for Temporary Lending of Cash
Presented by Finance Director Brad Posenjak

Motion for approval of Resolution No. 2019-03, approving the temporary lending of cash from the General Fund to other funds, including but not limited to, the CDBG Entitlement Fund and the Police Station GO Bond Fund, as needed, in 2019.

- E. Financial Management Policy Revision
Presented by Finance Director Brad Posenjak

Motion for approval of Resolution No. 2019-04, adopting updated financial management policies.

- F. Horse Lake Road Sanitary Sewer Extension (Project No. 1713)
Project Budget Amendment No. 2

Presented by Senior Engineer Jeremy Hoover

Motion for City Council to amend the project budget by \$89,365 to pay for the additional paving and roadway work and further authorize the Mayor to approve the construction change order.

G. Iron Adjustments – Budget Authorization

Presented by Public Works Director Rob Jammerman and Public Works Business Manager Rachael Ivie

Motion for City Council to approve the project budget for the iron adjustments project.

H. Historic Preservation Board Reappointment

Presented by Community Development Director Glen DeVries and Planning Manager Stephen Neuenschwander

Motion for City Council to approve Resolution No. 2019-05, reappointing members to the Historic Preservation Board (Wendy Priest and Darlene Baker).

I. Planning Commission Reappointment

Presented by Community Development Director Glen DeVries

Motion for City Council to approve Resolution No. 2019-06, reappointing a member to the Planning Commission (Susan Albert).

J. Wenatchee Federal Building Architectural Services Contract Extension

Presented by Economic Development Director Steve King

Motion for City Council to authorize the Mayor to sign Amendment #1 to the contract with ARC Architects extending the completion date to March 1, 2019.

K. 2019 Mayor Pro Tempore

Motion for approval of Resolution No. 2019-01, appointing the Mayor Pro Tempore for 2019.

7. Reports.

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

8. Announcements.

9. Adjournment.



**WENATCHEE CITY COUNCIL MEETING
Thursday, December 6, 2018**

Wenatchee City Hall
129 South Chelan
Wenatchee, WA 98801

MINUTES

In attendance:

Mayor Frank Kuntz
Councilmember Jim Bailey
Councilmember Ruth Esparza
Councilmember Lyle Markhart
Councilmember Keith Huffaker
Councilmember Mark Kulaas
Councilmember Linda Herald
Councilmember Mike Poirier

Staff in attendance:

Executive Services Director Allison Williams
City Attorney Steve Smith
City Clerk Tammy Stanger
IS Support Tim McCord
Economic Development Director Steve King
Environmental Manager Jessica Shaw
Parks, Recreation & Cultural Services Director David Erickson
Police Captain Edgar Reinfeld
Utilities Engineer Jeremy Hoover
Utilities Manager John Ricardi
Public Works Director Rob Jammerman
Engineering Services Manager Jacob Huylar
Operations Manager Aaron Kelly
Community Development Director Glen DeVries
Planning Manager Stephen Neuenschwander
Public Information Officer Annagrisel Alvarez
Finance Director Brad Posenjak

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

4:30 p.m. Executive Session

Motion by Councilmember Keith Huffaker to meet in executive session to discuss with legal counsel representing the city matters relating to potential litigation. RCW 42.30.110(1)(i), not to exceed 40 minutes. Councilmember Jim Bailey seconded the motion. Motion carried (7-0).

Council adjourned from executive session at 5:09 p.m.

5:15 p.m. Special Meeting

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

Mayor Frank J. Kuntz called the special meeting to order at 5:15 p.m. Councilmember Jim Bailey led the Pledge of Allegiance. All Councilmembers were present.

2. Consent Items

- Motion by Councilmember Keith Huffaker to approve agenda, vouchers, and minutes from previous meetings. Councilmember Jim Bailey seconded the motion. Motion carried (7-0).

3. Citizen Requests/Comments. None.

4. Presentations

- New City Hall – ARC Architects. Jeff Wandasiewicz with ARC Architects and Economic Development Director Steve King provided an overview of the background for the project and work done to date, in addition to the proposed layout of the new city hall space.

5. Public Hearing

A. Americans with Disabilities Act of 1990 Annual Review.

Executive Services Director Allison Williams presented the staff report.

The Mayor asked for public comment. There was no one who wished to speak.

Motion by Councilmember Ruth Esparza for City Council to approve Resolution No. 2018-47, approving the review of the City's policy for compliance with the Americans with Disabilities Act of 1990 and Section 504 of the Rehabilitation Act of 1973. Councilmember Linda Herald seconded the motion. Motion carried (7-0).

6. Action Items

B. 2019 Tourism Promotion Area Budget

Executive Services Director Allison Williams presented the staff report. TPA Chair Freyda Stephens was also present and spoke of highlights from the year. Councilmember Linda Herald recused herself from this agenda item due to a conflict of interest.

Motion by Councilmember Keith Huffaker for City Council to approve the 2019 Tourism Promotion Area budget. Councilmember Lyle Markhart seconded the motion. Motion carried (6-0) (Herald recused).

C. Tourism Promotion Area Advisory Board Appointments

Executive Services Director Allison Williams presented the staff report. Councilmember Linda Herald recused herself from this agenda item due to a conflict of interest.

Motion by Councilmember Mike Poirier for City Council to approve Resolution No. 2018-49, appointing a member to the Tourism Promotion Area Advisory Board for a three (3) year term (Tiffany Petty). Councilmember Jim Bailey seconded the motion. Motion carried (6-0) (Herald recused).

Motion by Councilmember Mike Poirier for City Council to approve Resolution No. 2018-50, reappointing a voting representative to the Tourism Promotion Area Board (Charlotte Mayo). Councilmember Jim Bailey seconded the motion. Motion carried (6-0) (Herald recused).

(Agenda Item G was moved to here).

G. Locomotive Park Renaming

Parks, Recreation & Cultural Services Director David Erickson and Capital Projects Manager Charlotte Mitchell presented the staff report. A video by the Lions Club was also played. Council asked questions.

Motion by Councilmember Keith Huffaker to rename “Locomotive Park” to “Lions Locomotive Park”. Councilmember Ruth Esparza seconded the motion. Motion carried (7-0).

D. Ecology Planning & Design Grant for the North Wenatchee Stormwater Improvements

Environmental Manager Jessica Shaw presented the staff report. Council asked questions.

Motion by Councilmember Jim Bailey for City Council to authorize the Mayor to sign the Water Quality Combined Financial Assistance Agreement between the State of Washington Department of Ecology and the City of Wenatchee for the North Wenatchee Stormwater Outfall Removal and Water Quality Improvement project. Councilmember Lyle Markhart seconded the motion. Motion carried (7-0).

E. Peachey Street Water Quality Improvement Construction Grant Agreement

Environmental Manager Jessica Shaw presented the staff report. Council asked questions.

Motion by Councilmember Lyle Markhart for City Council to authorize the Mayor to sign the Water Quality Combined Financial Assistance Agreement between the State of Washington Department of Ecology and the City of Wenatchee for the Peachey Street Basin Water Quality Retrofit project. Councilmember Keith Huffaker seconded the motion. Motion carried (7-0).

The Mayor called for a short break at 6:22 p.m. The meeting resumed at 6:35 p.m.

F. Hale Skate Park Contractor Selection

Parks, Recreation & Cultural Services Director David Erickson and Capital Project Manager Charlotte Mitchell presented the staff report. Council asked questions.

Motion by Councilmember Linda Herald for approval of the selection of Grindline as the Hale Park skate park contractor and authorize the Mayor to sign the standard City construction contract for the project. Councilmember Mike Poirier seconded the motion. Motion carried 7-0).

- G. Locomotive Park Renaming – This item was heard after Item C above.

- H. Arts, Recreation and Parks Commission Appointments

Parks, Recreation & Cultural Services Director David Erickson presented the staff report.

Motion by Councilmember Keith Huffaker for City Council to approve Resolution No. 2018-42, re-appointing a member to the Arts, Recreation and Parks Commission (Dan Langager). Councilmember Lyle Markhart seconded the motion (7-0).

Motion by Councilmember Ruth Esparza for City Council to approve Resolution No. 2018-43, re-appointing a member to the Arts, Recreation and Parks Commission (Marlin Peterson). Councilmember Jim Bailey seconded the motion. Motion carried (7-0).

Motion by Councilmember Jim Bailey for City Council to approve Resolution No. 2018-44, appointing a member to the Arts, Recreation and Parks Commission (Mark Lewis). Councilmember Lyle Markhart seconded the motion. Motion carried (7-0).

Motion by Councilmember Linda Herald for City Council to approve Resolution No. 2018-45, appointing a member to the Arts, Recreation and Parks Commission (Morgan Mott). Councilmember Mike Poirier seconded the motion. Motion carried (7-0).

- I. Wenatchee Community Center Facility Management Agreement

Parks, Recreation and Cultural Services Director David Erickson and Capital Projects Manager Charlotte Mitchell presented the staff report. Council asked questions.

After Council discussion and consideration they decided not to approve the extension of the Facility Management Agreement with Community Action Council. Staff will send a letter to the Community Action Council of this decision. Staff will prepare a Request for Proposals early next year.

- J. WASPC Mental Health Field Response Team Grant

Police Captain Edgar Reinfeld presented the staff report. Council asked questions.

Motion by Councilmember Linda Herald for City Council to authorize the Mayor to sign the Mental Health Field Response Team Grant Agreement with the Washington Association of Sheriff's & Police Chiefs (WASPC). Councilmember Keith Huffaker seconded the motion. Motion carried (7-0).

- K. Addendum to Interlocal Agreement for County-Wide Solid and Hazardous Waste Program

Executive Services Director Allison Williams presented the staff report. Council asked questions.

Motion by Councilmember Ruth Esparza for City Council to authorize the Mayor to sign the Addendum to Interlocal Agreement for County-Wide Solid and Hazardous Waste Program for the completion of the Moderate Risk Waste Facility. Councilmember Lyle Markhart seconded the motion. Motion carried (7-0).

- L. Interlocal Agreement with the Port of Chelan County and the Chelan County PUD – PUD Fifth Street Campus Redevelopment

Executive Services Director Allison Williams presented the staff report. Council asked questions.

Motion by Councilmember Keith Huffaker for City Council to authorize the Mayor's signature on the Interlocal Agreement Re: Redevelopment Planning Alternatives for the PUD Fifth Street Campus. Councilmember Lyle Markhart seconded the motion. Motion carried (7-0).

- M. Housing Authority of Chelan County and the City of Wenatchee Board Appointment

Executive Services Director Allison Williams presented the staff report. Council asked questions. The Mayor inquired as to whether this should be a councilmember in the future given the importance of this topic to the city.

Motion by Councilmember Jim Bailey for City Council to approve Resolution No. 2018-48, appointing a member to the board of directors for the Housing Authority of Chelan County and the City of Wenatchee for a term ending December 31, 2021 (Mike Leeds). Councilmember Ruth Esparza seconded the motion. Motion carried (7-0).

- N. Bid Award Recommendation – Olds Station Sanitary Sewer Expansion Phase 2 Lift Station (Project No. 1718)

Utilities Engineer Jeremy Hoover presented the staff report. Council asked questions.

Motion by Councilmember Keith Huffaker for City Council to authorize the Mayor to award the second phase of Project No. 1718 to KRCI Construction with the recommendation of Public Works staff, and further authorize the Mayor to sign the construction contract documents. Councilmember Linda Herald seconded the motion. Motion carried (7-0).

- O. Authorization for Contract Amendment #3 – Olds Station Sanitary Sewer Expansion Phase 2 Lift Station (Project No. 1718)

Utilities Engineer Jeremy Hoover presented the staff report. Council asked questions.

Motion by Councilmember Mike Poirier for City Council to authorize the Mayor to sign Contract Amendment #3 on behalf of the City with RH2 Engineering, Inc. for services during construction for the Olds Station Sanitary Sewer Extension Phase 2 – Lift Station (Project No. 1718). Councilmember Ruth Esparza seconded the motion. Motion carried (7-0).

- P. North Wenatchee Storm Drain Improvements Project (Project No. 1617)
Authorization for Consultant Supplemental Agreement #2

Utilities Engineer Jeremy Hoover presented the staff report.

Motion by Councilmember Keith Huffaker for City Council to authorize the Mayor to sign Consultant Supplemental Agreement #2 on behalf of the City with Pace Engineers, Inc. for additional design services for the North Wenatchee Stormwater Improvements – Project No. 1617. Councilmember Ruth Esparza seconded the motion. Motion carried (7-0).

Item Q was removed from the agenda.

- ~~Q. Project Budget Amendment 2 – Horselake Road Sanitary Sewer Extension (Project No. 1713)
Presented by Utilities Engineer Jeremy Hoover~~

~~Motion for City Council to amend the project budget by \$79,530 to pay for the additional paving and roadway work and further authorize the Mayor to approve the construction change order.~~

- R. Comprehensive Stormwater Plan (Project No. 1806)

Utilities Manager John Ricardi presented the staff report. Council asked questions.

Motion by Councilmember Ruth Esparza for City Council to authorize the Mayor to negotiate with HDR Engineering for design services for the Comprehensive Stormwater Plan Update (Project No. 1806) and further authorize the Mayor to sign a contract on behalf of the City. Councilmember Linda Herald seconded the motion. Motion carried (7-0).

- S. Update to City of Wenatchee Municipal Code Title 4, Chapter 4.38; Title 9, Chapters 9.01 and 9.12

Utilities Manager John Ricardi and Public Works Director Rob Jammerman presented the staff report. Council asked questions. An updated ordinance was provided with an effective date of January 15, 2019.

Motion by Councilmember Linda Herald for City Council to adopt Ordinance No. 2018-48, amending Chapter 9.12 WCC relating to water – rules and regulations. Councilmember Mike Poirier seconded the motion. Motion carried (7-0).

Motion by Councilmember Keith Huffaker for City Council to adopt Ordinance No. 2018-49, adding a new Chapter 9.01 to the Wenatchee City Code related to pre-approved plans and policies. Councilmember Lyle Markhart seconded the motion. Motion carried (7-0).

Motion by Councilmember Linda Herald for City Council to adopt Ordinance No. 2018-50, repealing prior Ordinance No. 1895, codified at Chapter 4.38 WCC related to fluoridation. Councilmember Mike Poirier seconded the motion. Motion carried (7-0).

- T. Tacoma Avenue – Maple Street to McKittrick Street (Project No. 1907)
TIB Fuel Tax Agreement and Project Funding Status Form

Engineering Services Manager Jacob Huylar presented the staff report.

Motion by Councilmember Mike Poirier for City Council to approve the project budget and authorize the Mayor's signature on the Fuel Tax Grant Agreement and Project Funding Status Form. Councilmember Linda Herald seconded the motion. Motion carried (7-0).

U. Interagency Agreement with Chelan County PUD for Fueling Vehicles and PUD Fuel Pumps

Public Works Operations Manager Aaron Kelly presented the staff report. Council asked questions.

Motion by Councilmember Jim Bailey for City Council to accept the changes to the agreement and further authorize the Mayor to sign the Interagency Agreement with Chelan County PUD regarding fueling of motor vehicles at PUD fuel pumps. Councilmember Lyle Markhart seconded the motion. Motion carried (7-0).

V. Project Acceptance for the Wenatchee Underground Conduit Project SW17-05

Public Works Operations Manager Aaron Kelly presented the staff report. Council asked questions.

Motion by Councilmember Linda Herald for City Council to accept the work performed by the contractor Neppel Electrical on the Wenatchee Underground Conduit Project SW17-05 and further authorize the Mayor to sign the Final Contract Voucher Certification on behalf of the City of Wenatchee. Councilmember Lyle Markhart seconded the motion. Motion carried (7-0).

7. Public Hearing Items

W. Amendments to the Comprehensive Plan and the City Code in Titles 10 Zoning, 11 Subdivisions, and 13 Administration of Development Regulations

Community Development Director Glen DeVries and Planning Manager Stephen Neuenschwander presented the staff report. Council asked questions.

The Mayor asked for public comment. There was none.

Council discussed the parking aisle dimension issue and would like more discussion and further analysis on the subject. A work session will be scheduled for February or March to further review.

Motion by Councilmember Mark Kulaas for City Council to adopt the revisions to the Comprehensive Plan map by Resolution No. 2018-52, the revisions to the Capital Facilities Plan by Resolution No. 2018-51, amendments to the Wenatchee City Code Titles 11 and 13 by Ordinance No. 2018-45, and an updated official zoning map by Ordinance No. 2018-47. Councilmember Linda Herald seconded the motion. Motion carried (7-0).

Motion by Councilmember Mark Kulaas for City Council to accept the Planning Commission recommendation regarding the revisions to Chapter 10.60.030 and to conduct a workshop in February or March for additional consideration. Councilmember Jim Bailey seconded the motion. Motion carried (7-0).

8. Reports

- a. Mayor's Report. The Mayor reported on the following:
- o City Hall has moved into the new location.

- He met with Bob Bugert this week.
- He attended the WDA dinner last Thursday.
- He attended the Regional Water meeting last Tuesday.
- He met with Dr. Rickard regarding Parkside earlier this week.
- He will be in Olympia on Monday for a meeting with Drew Shirk.
- He has scheduled annual evaluations for department heads.
- He has coffee with Kevin Overbay next week.
- He met with new Museum Director Keni Sturgeon earlier this week.

b. Reports/New Business of Council Committees.

Councilmember Keith Huffaker reported that Rivercom has hired a consultant for a building analysis. Misty Viebrock has been selected as the new Rivercom Executive Director.

9. Announcements. None.

10. Adjournment. With no further business the meeting adjourned at 8:06 p.m.

Frank J. Kuntz, Mayor

Attest:

Tammy L. Stanger, City Clerk

COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council Members

FROM: Allison Williams, Executive Services Director

SUBJECT: Lease Amendment #1 – American Behavioral Health Systems for Parkside

DATE: April 9, 2018

Overview: In December 2017, the City Council took action to consent to the assignment of the lease of Parkside from the North Central Behavioral Health Organization to American Behavioral Health Systems (ABHS). In April 2018, the North Central Washington Behavioral Health Organization (BHO) took action to assign the lease to ABHS. ABHS has since requested that the City make several changes to the lease, and these changes are represented in the Amendment that has been pending for some time as the City and BHO work through the transition of the facility. The Amendment was signed with ABHS in December in order to get the new lease rate scheduled with ratification scheduled for this City Council meeting. The changes are:

- The lease term is changed to a five year term with two five year options (Section 4.1.a)
- The lease provides an out in the case of a loss of state funding (this is consistent with other leases the city holds) (Section 2)
- ABHS wished to control more of the functions of the building and site than anticipated in the original lease, and so more definition was provided in Section 10 for areas of responsibility.
- The BHO had requested that the lease rate not start until January 1, 2020. However, with the City assuming the building and ABHS more of the operation, there is a desire to have the lease rates moved forward in order to begin building a maintenance and operations fund for the building and so actions were taken to get the lease rates started January 1, 2019.

Action requested: A motion to ratify the Mayor's signature on Lease Amendment No. 1 with American Behavioral Health Solutions, Inc. for Parkside.

FIRST AMENDED AND RESTATED LEASE BETWEEN CITY OF WENATCHEE
AND AMERICAN BEHAVIORAL HEALTH SYSTEMS, INC
FOR PARKSIDE PLACE

THIS AGREEMENT, made and entered into this 12th day of December, 2018, by and between City of Wenatchee, a municipal corporation of the State of Washington, hereinafter referred to as Landlord, and American Behavioral Health Systems, Inc., hereinafter referred to as Tenant.

WHEREAS, Landlord previously entered into that certain Lease Between City of Wenatchee and North Central Washington Behavioral Health For Parkside Place on February 23, 2017 (the "Lease"); and

WHEREAS, the Lease was subsequently assigned by North Central Washington Behavioral Health to Tenant by Assignment of Lease recorded April 17, 2018 at Chelan County AFN 2476184; and

WHEREAS, Landlord and Tenant desire to amend and restate the Lease as set forth herein.

WITNESSETH:

1. Premises. Landlord hereby leases to Tenant, upon the terms and conditions herein set forth, Suite A consisting of 30,602 square feet, and associated common area and parking located on the real property located at 1230 Monitor Street, Wenatchee, Chelan County, Washington, and situated on a portion of the following described premises:

See Exhibit "A," attached hereto and incorporated herein by this reference.

North Central Washington Behavioral Health made substantial improvements to the premises and was awarded a grant of approximately \$4.0M from the State of Washington to complete additional remodeling of and improvements to the premises for use as a mental health facility. Landlord agrees that the premises remodeled and improved using the grant funds received from the State of Washington shall remain dedicated to occupancy as a mental health facility and the premises shall not be used for any other purpose through December 31, 2032, whether under this Lease or any other occupancy agreement.

2. Term. This Lease shall be for a term of five (5) years commencing January 1, 2017, and expiring on December 31, 2021.

Tenant may extend the term of this Lease for two additional periods of five (5) years each, commencing January 1, 2022 and ending December 31, 2026, and January 1, 2027 and ending December 31, 2031, by giving Landlord notice of intention so to do at least six (6) months prior to

expiration of the term hereof, provided Tenant is not in default hereunder at the time of giving such notice. Such extended term(s) shall be upon all the provisions applicable to the original term of this Lease, other than the provisions of this Section 2 relating to extension.

Tenant shall have the right, upon ninety (90) days prior written notice to Landlord, to terminate this Agreement in the event its government funding is materially reduced or terminated.

3. Rental. Tenant agrees to pay Landlord, at Landlord's address set forth in Section 22 hereof or at such other place as Landlord may designate in writing, rental in the amount of Seven Thousand Dollars (\$7000.00) per month, payable in advance on the first day of January, 2019 with a like payment on the first day of each month for the remainder of the term of this Lease. The rental amount provided for herein is below the market rent for property of this nature in return for the Tenant using the premises solely for the necessary support of the poor and the infirm, and for no other purpose, as set forth in Section 6 hereof.

The monthly rent payable under this Lease shall be increased for each five (5) year extension of this Lease by the same percent of increase as the All Items Revised Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (1967 = 100), as published by the United States Department of Labor, Bureau of Labor Statistics, for Seattle-Everett, has increased for the preceding five (5) year period. If figures for such Index are not available for the first and last months of such five (5) year period, the closest months for such figures which are available prior to the beginning and ending of each such period shall be used. If the Index remains unchanged or decreases, the monthly rental for the previous year will continue for the following five (5) year rental period.

The rental monies received by Landlord shall be placed in a capital replacement fund of the City of Wenatchee for purposes of capital replacement costs for the building's major systems including roof, mechanical, plumbing and electrical.

4. Leasehold Excise Tax. Per RCW 82.29A.020 this Lease creates a "leasehold interest" subject to leasehold tax. Tenant agrees to pay annually the leasehold excise tax, and any penalties and interest, in such amount as is established by the State of Washington during the term of this Lease, and to hold Landlord harmless therefrom. The current leasehold tax rate is 12.84%. If the current leasehold tax rate is amended by the State, the amount of leasehold tax due hereunder shall be amended in accordance therewith.

5. Security Deposit. Concurrently with Tenant's execution of this Lease, Tenant has delivered to Landlord the sum of Zero Dollars (\$0.00) as security for the performance by the Tenant of Tenant's obligations hereunder.

6. Use. The premises may be used by Tenant for the sole purpose of providing necessary support to the poor and infirm, specifically mental health, chemical dependency, and crisis stabilization services to low income persons. Tenant covenants that it will not allow said premises to be used for any illegal or immoral purpose, and that it will not do or suffer to be done, in or about said premises, any act or thing which may be a nuisance, annoyance, inconvenience, or damage to Landlord, the occupants of adjoining property or the neighborhood.

7. Acceptance of Premises. Tenant accepts the premises in its current “as is” condition.
8. Alterations. Tenant shall make no changes, improvements or alterations to the premises without the prior consent of Landlord. All such changes, improvements and alterations, if any, made by Tenant shall remain on the premises and shall become the property of Landlord upon the expiration or sooner termination of this Lease.
9. [THIS SECTION LEFT INTENTIONALLY BLANK]
10. Maintenance and Repairs.
 - (a) Maintenance and Repairs of Suite. Tenant shall keep the suite in a neat, clean and sanitary condition. Tenant, at its own expense, shall maintain the suite and all items therein, including items installed by Tenant, in good condition and repair.
 - (b) Maintenance and Repairs of Common Areas, Building and Premises.
 - (i) Landlord Obligations. Landlord shall maintain in good condition the structural and exterior components of the building, except glass, which shall be the responsibility of the Tenant. Landlord shall be obligated to maintain the roof, the parking lot asphalt surface condition, and common plumbing. Landlord shall not be obligated to repair or replace any fixtures or equipment installed by Tenant and Landlord shall not be obligated to make any repair or replacement occasioned by act or omission of Tenant, its employees, agents, invitees or licensees.
 - (ii) Tenant Obligations. Tenant shall maintain the parking lots and sidewalks (snow removal, cleaning) grass (weeding, thatching, mowing), irrigation system and landscaping in a condition reasonably consistent with the standards of a Class A office space. Tenant shall maintain electrical and mechanical systems. Tenant shall provide general interior and exterior cleaning and maintenance, including all janitorial services to Tenant’s suite. Tenant shall maintain the fire suppression system for Tenant’s suite. Tenant shall maintain the glass, including exterior windows, on Tenant’s suite, and shall cause any damage or injury thereto to be repaired as speedily as reasonably possible at its own cost and expense. Tenant shall reimburse Landlord for the value of city staff time needed for training and assistance if called upon.
11. Utilities and Other Services. Tenant shall pay 74.31% of all water, sewer, electricity, natural gas, and other utilities provided to the building without separate metering and billing, for janitorial services for the common areas, and for snow and ice removal for the parking areas and sidewalks, including Landlord’s overhead costs in providing these services. Tenant shall pay for all utilities and services provided directly to Tenant’s suite and billed separately by the utility or service provider.
12. Signs. Tenant shall not erect or maintain any signs or other obstructions upon said premises except as now exist without the written consent of Landlord.

13. Taxes. Landlord is exempt from property taxes. Tenant shall pay, before the same become delinquent, all taxes assessed against the furniture, fixtures, equipment and other property, including inventory, which is owned by the Tenant located on the premises.

14. Liability Insurance. Tenant shall, at Tenant's expense, maintain public liability and property damage insurance insuring against any and all claims for injury to or death of persons and loss of or damage to property occurring upon, in or about the premises. Such insurance shall have liability limits of not less than One Million Dollars (\$1,000,000) in respect of injury or death to any one person, not less than Two Million Dollars (\$2,000,000) in respect of any one occurrence or accident, and not less than One Million Dollars (\$1,000,000) for property damage with a maximum deductible amount of Fifty Thousand Dollars (\$50,000).

All such insurance shall be issued by carriers acceptable to Landlord and shall contain a provision whereby the carrier agrees not to cancel or modify the insurance without twenty (20) days prior written notice to Landlord. Landlord shall be named as an additional insured on the Tenant's policies of insurance required hereunder.

On or before taking possession of the premises pursuant to the Lease, Tenant shall furnish Landlord with a certificate evidencing the aforesaid insurance coverage, and renewal certificates shall be furnished to Landlord at least thirty (30) days prior to the expiration date of each policy for which a certificate was theretofore furnished.

15. Tenant's Fire Insurance. Tenant shall, at Tenant's expense, maintain fire insurance on all of Tenant's personal property and leasehold improvements and alterations on the premises, with extended coverage, in the amount of replacement value.

16. Assignment and Subletting. Neither this Lease nor any right hereunder may be assigned, transferred, encumbered, or sublet, in whole or in part, by Tenant, by operation of law or otherwise, for any other purpose, without Landlord's prior written consent. Landlord may not unreasonably withhold its consent.

17. Inspection. Landlord shall have the right of reasonable inspection of the leased premises at all reasonable times and for said purpose shall have free access thereto.

18. Damage or Destruction. If the leased premises are materially damaged or destroyed by fire or any cause, this Lease shall immediately terminate as of the date of the damage or destruction.

19. Default; Remedies. IF TENANT SHALL DEFAULT IN PERFORMANCE OF ANY OF TENANT'S OBLIGATIONS UNDER THIS LEASE OR SHALL VIOLATE ANY TERM OR PROVISION OF THIS LEASE, OR IF THE PREMISES SHALL BE LEFT VACANT OR UNOCCUPIED FOR A PERIOD OF TEN (10) DAYS, LANDLORD MAY, UPON GIVING TENANT ANY NOTICE REQUIRED BY LAW, TERMINATE THIS LEASE AND UPON SUCH TERMINATION TENANT SHALL QUIT AND SURRENDER THE PREMISES TO LANDLORD, BUT THE TENANT SHALL REMAIN LIABLE AS HEREINAFTER PROVIDED.

If this Lease shall be terminated as herein provided, Landlord may immediately or at any time thereafter re-enter the premises and remove any and all persons and property therefrom; by any suitable proceeding, law or otherwise, without liability therefor, and re-enter the premises, without such re-entry diminishing Tenant's obligation to pay rental for the full term hereof.

20. Liens. Tenant shall not suffer or permit any lien to be filed against the premises, any building thereof, or any part thereof or the Tenant's leasehold interest, by reason of work, labor, services or materials performed or supplied to Tenant or anyone holding the premises or any part thereof under Tenant. If any such lien is filed against the premises or any improvement thereon or Tenant's leasehold interest, Tenant shall cause the same to be discharged of record within thirty (30) days after the date of filing the same.

21. Indemnity by Tenant. Tenant agrees that Landlord shall not be liable for any claims for death of or injury to person or damages to or destruction of property sustained by Tenant, its sublessees, licensees, invitees, or by any other person in the premises, including without limiting the generality of the foregoing, any claims caused by or arising from the condition or maintenance of any part of the premises unless such damage is caused by the sole negligence of Landlord. Tenant hereby waives all claims therefor and agrees to indemnify and save Landlord harmless against any such claim, loss, damage or liability or any expense incurred by Landlord in connection therewith.

22. Notices. All notices, demands and requests to be given by either party to the other shall be in writing. All notices, demands and requests by Landlord to Tenant shall be sent by United States registered or certified mail, postage prepaid, addressed to Tenant at _____, Wenatchee, Washington 98801, or at such other place as Tenant may from time to time designate by notice to Landlord. All notices, demands and requests by Tenant to the Landlord shall be sent by United States registered or certified mail, postage prepaid, addressed to Landlord at City of Wenatchee, PO Box 519, Wenatchee, Washington 98807, or at such other place as Landlord may from time to time designate by notice to Tenant. Notice, demands, and requests served upon Landlord or Tenant as provided in this Section in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand, or request shall be so mailed in any post office in Wenatchee or East Wenatchee, Washington.

23. Performance of Covenants. If Tenant shall fail to make any payment or perform any of the Tenant's obligations under this Lease, Landlord may, without notice to or demand upon Tenant and without waiving or releasing Tenant from any obligations of Tenant under this Lease, make such payment or perform such obligation in such manner and to such extent as Landlord deems desirable. All sums so paid by Landlord and all necessary costs and expenses in connection with the performance of any such obligation by Landlord, together with interest thereon at the rate of twelve percent (12%) per annum, compounded monthly, from the date of the making of such expenditure by Landlord, shall be deemed additional rent hereunder and shall be payable to Landlord on demand.

24. Surrender of Premises. Tenant, at the expiration or sooner termination of this Lease, shall quit and surrender the premises in good, neat, clean and sanitary condition, except for reasonable wear and tear and damage not caused by any act or omission by Tenant, its employees, agents, invitees or licensees.

25. Holdover. If Tenant lawfully holds over after the expiration of the term of this Lease, such tenancy shall be a month-to-month tenancy. During such tenancy Tenant agrees to pay Landlord the same rate of rental as provided herein, and to be bound by all of the terms, covenants and conditions herein specified.

26. Force Majeure. Landlord's failure to perform any of its obligations under this Lease shall be excused if due to causes beyond the control and without fault or negligence of Landlord, including but not restricted to acts of God, acts of the public enemy, acts of any government, fires, floods, epidemics and strikes.

27. Miscellaneous.

(a) Non-waiver. No failure of Landlord to insist upon the strict performance of any provision of this Lease shall be construed as depriving Landlord of the right to insist on strict performance of such provision or any other provision in the future. No waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. No acceptance of rent or of any other payment by Landlord from Tenant after any default by Tenant shall constitute a waiver of any such default or any other default. Consent by Landlord in any one instance shall not dispense with necessity of consent by Landlord in any other instance.

(b) Attorneys' Fees. If an action be commenced to enforce any of the provisions of this Lease, each party shall bear its own attorney's fees and costs.

(c) Governing Law. This Lease shall be governed by the law of the State of Washington.

(d) Entire Agreement. This document contains the entire and integrated agreement of the parties and may not be modified except in writing signed and acknowledged by both parties.

(e) Remedies Cumulative. The specified remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Landlord may lawfully be entitled in case of any breach or threatened breach by Tenant of any provisions of this Lease. In addition to the other remedies in this Lease provided, Landlord shall be entitled to the restraint by injunction of the violations, or attempted or threatened violation, of any of the covenants, conditions, or provisions of this Lease.

(f) Time. Time is of the essence to this Lease.

(g) Binding Effect. Subject to the provisions of Section 16 hereof, this Lease shall be binding upon the parties hereto and upon their respective executors, administrators, legal representatives, successors and assigns.

EXHIBIT "A"

PARCEL A:

That portion of the South half of the Northeast quarter of the Northeast quarter of the Northeast quarter of Section 15, Township 22 North, Range 20, E.W.M., Chelan County, Washington, described as follows: Beginning at a point on the South line of Miller's Second Addition to Wenatchee, according to the plat thereof, recorded in Volume 4 of Plats, Page 104, 423.14 feet West of the East line of said subdivision, said point being the Westerly right of way of Monitor Street as conveyed to the City of Wenatchee by deed recorded August 26, 1954, under Auditor's No. 487635; thence Southeasterly along said Westerly right of way to a point on the North line of Taplett Addition to Wenatchee, according to the recorded plat thereof, being 375.0 feet West of the East line of said subdivision; thence West on the North line of said Taplett Addition to the Southeast corner of Leaver's Addition, according to the recorded plat thereof; thence Northerly along the East line of said Leaver's Addition, 331.81 feet to the South line of said Miller's Second Addition to Wenatchee; thence East on the South line of said Miller's Second Addition to Wenatchee to the True Point of Beginning.

ALSO TOGETHER with the East 74 feet of the West 161 feet of the South 24 feet of Block 3, Miller's Second Addition to Wenatchee, Chelan County, Washington, according to the plat thereof, recorded in Volume 4 of Plats, Page 104.

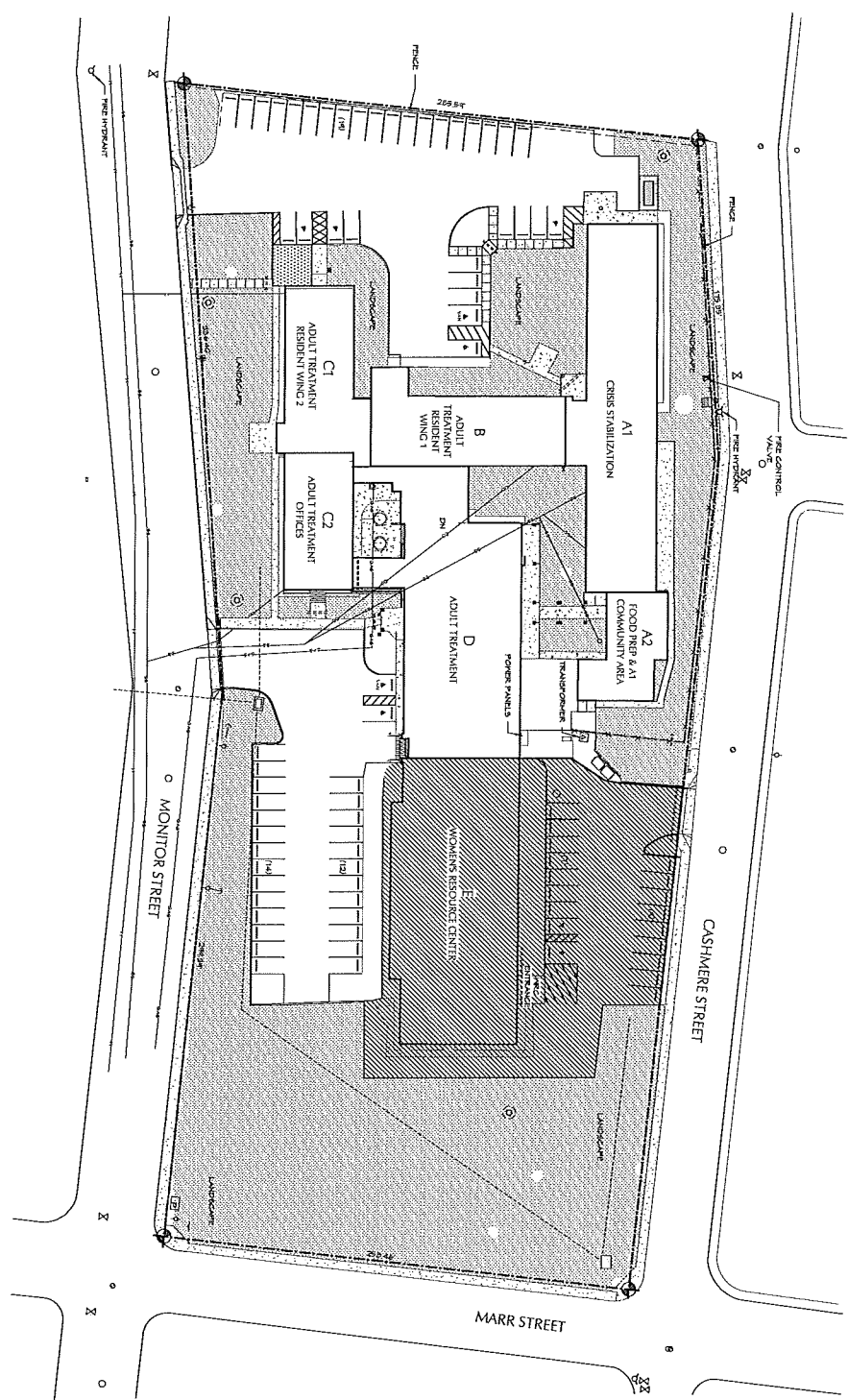
ALSO TOGETHER with Block 3, Miller's Second Addition to Wenatchee, according to the plat thereof, recorded in Volume 4 of Plats, Page 104, Chelan County, Washington,

EXCEPT the North 109.42 feet of Block 3, Miller's Second Addition to Wenatchee, according to the plat thereof, recorded in Volume 4 of Plats, Page 104, Chelan County, Washington.

PARCEL B

Lots 1 and 2, Block 3, Corrected Plat of Leaver's Addition to Wenatchee, Chelan County, Washington, according to the plat thereof, recorded in Volume 8 of Plats, Page 32, EXCEPT that portion of said Lot 2 conveyed to the City of Wenatchee for road purposes by deed recorded July 17, 1958, under Auditor's No. 538013.7

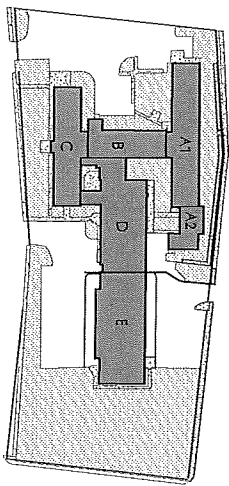
1 SITE PLAN
SCALE: 1" = 30'-0"



SUITE A: AREAS A1, A2, B, C1, C2, & D
TOTAL SQ. FT. = 30,720

SUITE B: AREA E
TOTAL SQ. FT. = 10,355

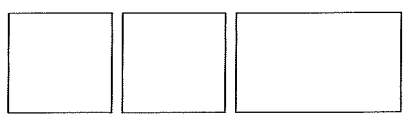
SITE KEY PLAN



NO.	DATE	DESCRIPTION
1	1/10/19	ISSUED FOR PERMIT
2	1/10/19	ISSUED FOR PERMIT
3	1/10/19	ISSUED FOR PERMIT
4	1/10/19	ISSUED FOR PERMIT
5	1/10/19	ISSUED FOR PERMIT
6	1/10/19	ISSUED FOR PERMIT
7	1/10/19	ISSUED FOR PERMIT
8	1/10/19	ISSUED FOR PERMIT
9	1/10/19	ISSUED FOR PERMIT
10	1/10/19	ISSUED FOR PERMIT
11	1/10/19	ISSUED FOR PERMIT
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27	1/10/19	ISSUED FOR PERMIT
28	1/10/19	ISSUED FOR PERMIT
29	1/10/19	ISSUED FOR PERMIT
30	1/10/19	ISSUED FOR PERMIT

A1.1

FORTE ARCHITECTS NORTH CENTRAL WA BEHAVIORAL HEALTH
PARKSIDE ADULT TREATMENT FACILITY
1230 Monitor Street
Wenatchee, WA 98801



PROCLAMATION

Wenatchee School Choice Week

WHEREAS, all children in Wenatchee should have access to the highest-quality education possible; and,

WHEREAS, Wenatchee recognizes the important role that an effective education plays in preparing all students in Wenatchee to be successful adults; and,

WHEREAS, quality education is critically important to the economic vitality of Wenatchee; and,

WHEREAS, Wenatchee is home to a multitude of high quality public and nonpublic schools from which parents can choose for their children, in addition to families who educate their children in the home; and

WHEREAS, educational variety not only helps to diversify our economy, but also enhances the vibrancy of our community; and,

WHEREAS, Wenatchee has many high-quality teaching professionals in all types of school settings who are committed to educating our children; and,

WHEREAS, School Choice Week is celebrated across the country by millions of students, parents, educators, schools and organizations to raise awareness of the need for effective educational options;

NOW, THEREFORE, I, Frank J. Kuntz, Mayor of the City of Wenatchee, do hereby recognize January 20-26, 2019, as Wenatchee School Choice Week, and I call this observance to the attention of all of our citizens.



IN WITNESS WHEREOF, I have caused the seal of the City of Wenatchee to be affixed on this 10th day of January, 2019.

FRANK J. KUNTZ, Mayor

TO: Wenatchee City Council
FROM: City of Wenatchee Community Development Staff
DATE: January 7, 2019
RE: Cryptocurrency and Data Center Staff Report

I. REQUESTED ACTIONS

Conduct a public hearing on proposed amendments to the Wenatchee City Code (WCC) attached as Ordinance 2019-02.

II. ENVIRONMENTAL REVIEW

The City of Wenatchee has determined the proposed amendments to the Wenatchee City Code (WCC) will not have probable significant adverse impacts on the environment. The City of Wenatchee has issued a determination of non-significance (DNS). Notice of the environmental determination for the proposed amendments to the Wenatchee City Code was made on November 30, 2018.

III. PUBLIC PROCESS

- The City Council enacted an interim ordinance on February 22, 2018 by Ordinance 2018-04 adopting standards and regulations for cryptocurrency mining in the City.
- The City Council held a public hearing on the interim control pursuant to RCW 36.70A.390 and RCW 35A.63.220 on March 22, 2018.
- Planning Staff continued their research on Cryptocurrency Mining in spring and early summer 2018 and they continued to meet and correspond with the Chelan County Public Utility District (CCPUD).
- The Planning Commission conducted a workshop on July 18, 2018 on the topic of Cryptocurrency Mining. After a staff presentation and discussion of the topic, the Planning Commission came up with a list of questions that could be addressed by a representative of the CCPUD at a subsequent meeting.
- The Planning Commission conducted a workshop on the topic of Cryptocurrency Mining on August 15, 2018. Andy Wendell, representing the CCPUD, addressed the Planning Commission and answered their questions. The Planning Commission asked for the opportunity to discuss the topic with local Cryptocurrency Miners.
- The Planning Commission conducted a workshop on the topic of Cryptocurrency Mining on September 19, 2018. Two local cryptocurrency miners, Becky Peters and Nick Martini, discussed the topic with the Planning Commission.
- The Planning Commission conducted a workshop on the proposed revisions on October 17, 2018. Staff presented a draft of proposed regulations for consideration.
- Planning staff held a workshop with the City Council on the topic of Cryptocurrency Mining on November 15, 2018 to update them on work that was being done and get some feedback.

- The Planning Commission conducted a workshop on the proposed revisions on November 27, 2018. Planning staff presented revisions to the draft regulations and discussed them with the commission.
- The amendments and environmental documents have been posted on the City of Wenatchee website during the public comment and environmental review periods.
- Notice of the proposed amendments to the Wenatchee City Code was made on November 30, 2018 to the Wenatchee World Newspaper.
- Concurrent with the notices provided for the proposed amendments, copies of the environmental documents were sent to the Department of Ecology SEPA Register; and the City of Wenatchee provided formal notice to the Washington State Department of Commerce of the intent to adopt amendments to the Wenatchee Zoning Code and request for expedited review. Additional notice was provided to local and regional agencies.
- On January 6, 2019 notice was provided in the Wenatchee World correcting the location of the scheduled public hearing on January 10, 2019 which had been previously published on November 30, 2018.
- On December 11, 2018, the City of Wenatchee Planning Commission conducted an advertised public hearing on the proposed amendments. The Planning Commission recommended approval of the proposed code amendments.
- On January 10, 2019 the Wenatchee City Council will conduct an advertised public hearing.

IV. AGENCY AND PUBLIC COMMENTS:

At the writing of the staff report, no comments were received in response to this proposal.

V. PROJECT ANALYSIS

Comprehensive Plan Goals and Policies:

Goal 1 in the Utilities Element of the Wenatchee Urban Area Comprehensive Plan, states: "Ensure that the utilities necessary to support development are adequate at the time they are needed without decreasing service levels below those locally acceptable", Policy 2 of Goal 1 further states: "No development will be approved that reduces the level of service of any utility below the adopted level of service"

Goal ED 6 in the Economic Development Element of the Wenatchee Urban Area Comprehensive Plan, states: "Work with regional partners to ensure that regional and local infrastructure needs are addressed."

Key strategy number 10 (adopted as a policy by Goal ED 1, Policy 1) in the Economic Development Element of the Wenatchee Urban Area Comprehensive Plan begins with "Pursue data farm development" and goes on to described the benefits this type of development may bring to the community including the following

passage: "Selling reliable hydropower at market prices provides an amazing economic impact in terms of tax revenues to the schools and other governmental services."

Staff Analysis

The Wenatchee valley's extremely low electricity rates have long been known to attract certain land uses that rely on large amounts of electricity. The information age brought unique challenges and rewards for our community and some of our neighbors as our economies diversified to include server farms and other power hungry high tech industries. More recently cryptocurrency mining has made its way into our region utilizing the low electricity rates. The unique thing about this new high tech endeavor is that it is sometimes pursued at a very small scale including in people's homes. This creates unique challenges which will be addressed below.

Cryptocurrency is a type of digital currency which is created when a particular algorithm is solved by a computer which then adds to a blockchain. Blockchains are a type of peer to peer distributed ledger that utilize the aforementioned algorithms to regulate their development. As certain cryptocurrencies have gained popularity, and in turn gained value, the incentive to "mine" for these "coins" (such as Bitcoin) has increased. The act of solving the algorithms has become increasingly complex and in turn requires ever more powerful and specialized computer hardware.

Cryptocurrency mining operations almost exclusively utilize a type of computer, typically an ASIC server, which is not used for any other task. These devices are not very big but draw an incredible amount of electricity. The emergence of cryptocurrency mining at an increased level poses two distinct challenges to the Chelan PUD and the city.

First, cryptocurrency mining is often operated in a location where the electrical infrastructure serving it is not rated for the high energy use and constant demand. This is particularly true in residential areas where, unfortunately, these cryptocurrency operations have been found in some cases only after the electrical infrastructure has been damaged or destroyed and fires started.

Second, if the current trends continue where cryptocurrency mining becomes increasingly prevalent, the Chelan County PUD may not be able to meet the community's electricity consumption needs in a timely manner and therefore the community would not be able to accommodate its projected growth without the siting and construction of additional significant electrical infrastructure including power substations and lines.

The Planning Commission and City staff have worked together to draft the proposed standards that would allow cryptocurrency mining in commercial and industrial districts as permitted uses and as accessory uses in residential districts. Data centers would be permitted in commercial, industrial, and some mixed use districts.

The proposed standards provide a process for the Chelan PUD to verify that the infrastructure is adequate to serve the proposed use and therefore will not present a safety risk as well as ensuring that the electrical capacity of the PUD system is not diminished in such a way as to preclude future residential, commercial and industrial development. In the situations where the infrastructure is not adequate for the proposed use, the standards provide a framework for the applicant to work with the Chelan PUD to ensure the necessary improvements are in place before beginning any cryptocurrency mining.

Noise produced by cryptocurrency mining operations and any ancillary equipment for purposes such as cooling could be an issue of concern for neighboring uses. Research on how other jurisdictions treat noise issues, particularly as they pertain to mechanical equipment such as exterior HVAC units (heat pumps, air conditioners, etc.) indicated that reference is made to the standards in WAC173-60 or those standards are adopted into local code. According to these standards, a cryptocurrency mining operation in a residential area (source, Class A) and adjacent to a residential area (receiving property, Class A) would be limited to 55 dBA at the property line. An operation in an industrial area (source, Class C) and adjacent to industrial areas (receiving property, Class C) would be limited to 70dBA. An operation violating the established noise levels would be enforced utilizing the established processes in WCC16.12 Code Enforcement.

Staff brought an extra provision to the Planning Commission for discussion at the public hearing, to consider either a maximum power consumption limit for cryptocurrency mining in residential districts and/or maximum area devoted to use. The Planning Commission declined to adopt this additional provision. The reason for staff proposing this addition to the proposed code amendment was that the primary purpose and intent of the residential districts are for housing not commercial uses. Without any limitation on either the amount of power consumed or space dedicated to the use, a cryptocurrency operation could, if power is available, occupy up to 49% of the area of the primary residential structure.

If included, staff would recommend that any limitation on the maximum electrical consumption should be placed in subsection (3) which would require the PUD to certify the amount of power to be consumed. Below is a suggested standard:

In residential zoning districts, the cryptocurrency mining operation shall be authorized to consume no more than two times the average residential monthly power usage in the City of Wenatchee and no more than 100 square feet.

The Planning Commission declined to recommend the standard shown above for approval.

Staff recommends **Approval** of the draft revisions to Title 10 Zoning relative to cryptocurrency mining and data centers, based upon the suggested findings of fact and conclusions of law enclosed at the conclusion of the staff report.

SUGGESTED FINDINGS OF FACT AND CONCLUSIONS OF LAW

Suggested Findings of Fact:

1. The City of Wenatchee has adopted the Wenatchee Urban Area Comprehensive Plan and a series of sub-area comprehensive plans pursuant to the Growth Management Act (GMA), RCW Chapter 36.70A, which cover the Wenatchee Urban Growth Area and all incorporated areas within the City of Wenatchee, that have been found to be consistent with each other and with the adopted GMA plans of the adjoining jurisdictions.
2. The City of Wenatchee Planning Commission is responsible for long range planning matters and providing implementation recommendations to assure compliance with the Growth Management Act for the City of Wenatchee Urban Growth Area in coordination with Chelan County and within the incorporated boundaries of the City of Wenatchee. These measures include updates and amendments to the comprehensive plan; development regulations, environmental regulations, and any other rules, actions or regulations deemed necessary to implement the Growth Management Act.
3. RCW Chapters 36.70 and 36.70A authorize the adoption of development regulations.
4. The Planning Commission conducted workshops on the proposed revisions on July 18th, September 19th, October 17th and November 27th.
5. The City of Wenatchee issued a determination of nonsignificance on November 30, 2018 and provided copies of the environmental documents to the Department of Ecology SEPA Register.
6. On November 30, 2018, the City of Wenatchee provided formal notice to the Washington State Department of Commerce of the intent to adopt amendments to the Wenatchee City Code with a request for expedited review per RCW 36.70A.106. Additional notices were provided to local and regional agencies for the review and comment periods/environmental determinations.
7. Notice of the public 60 day review and comment period, and public hearing dates were published in the Wenatchee World on November 30, 2018.
8. On December 11, 2018, the City of Wenatchee Planning Commission conducted an advertised public hearing. The Planning Commission entered into the record the files on this amendment, accepted public testimony, and deliberated the merits of the proposal.
9. The City of Wenatchee Planning Commission has reviewed the entire record and public testimony as it relates to the proposed amendments to the Wenatchee City Code.
10. Cryptocurrency is a term encompassing code-based protocols supporting an electronic, non-physical media for the exchange of value.

11. Cryptocurrency mining is a continuous process where computers work to solve algorithms to maintain and build an algorithmic chain, or blockchain, and in exchange are granted cryptocurrency.
12. Cryptocurrencies have an ever-fluctuating monetary value and can be exchanged for conventional currency.
13. The continuous use of specialized computer hardware creates a high-density load situation which is taxing the existing electricity distribution and service infrastructure throughout various parts of the City.
14. The use of this specialized computer hardware, creating a high density load situation, in areas or at facilities where the electricity distribution infrastructure is not designed for its high energy loads could create a life-safety fire hazard.
15. The energy consumption characteristics of cryptocurrency mining was not envisioned in the development of the community's plans as they pertain to accommodating future growth.
16. High consumption of electricity for cryptocurrency may limit the Chelan County Public Utility District's (PUD) ability to meet the community's electricity consumption needs which may limit the ability of the City to accommodate its projected growth without the siting and construction of significant electrical infrastructure.
17. Goal 1 in the Utilities Element of the Wenatchee Urban Area Comprehensive Plan, states: "Ensure that the utilities necessary to support development are adequate at the time they are needed without decreasing service levels below those locally acceptable", Policy 2 of Goal 1 further states: "No development will be approved that reduces the level of service of any utility below the adopted level of service"
18. Goal ED 6 in the Economic Development Element of the Wenatchee Urban Area Comprehensive Plan, states: "Work with regional partners to ensure that regional and local infrastructure needs are addressed"
19. Key strategy number 10 (adopted as a policy by Goal ED 1, Policy 1) in the Economic Development Element of the Wenatchee Urban Area Comprehensive Plan begins with "Pursue data farm development" and goes on to described the benefits this type of development may bring to the community including the following passage: "Selling reliable hydropower at market prices provides an amazing economic impact in terms of tax revenues to the schools and other governmental services."
20. WAC173-60 Maximum Environmental Noise Levels was adopted pursuant to chapter 70.107 RCW, the Noise Control Act of 1974, in order to establish maximum noise levels permissible in identified environments, and thereby to provide use standards relating to the reception of noise within such environments.

Suggested Conclusions of Law:

1. The procedural and substantive requirements of the State Environmental Policy Act have been complied with.
2. The procedural requirements of RCW 36.70A have been complied with.
3. The proposed amendments are consistent with the Chelan County Countywide Planning Policies and the City of Wenatchee Urban Area Comprehensive Plan.

4. The proposed amendments are consistent with the requirements of Revised Code of Washington, and the Washington Administrative Code.
5. The proposed amendments have been reviewed and processed in accordance with the requirements of Title 10 Zoning, Title 12 Environmental Protection, and Title 13 Administration of Development Regulations of the City of Wenatchee Code.

ORDINANCE NO. 2019-02

AN ORDINANCE, amending Chapters 10.08 Definitions, 10.10 District Use Chart, and 10.48 General Regulations, of the Wenatchee City Code (WCC) relating to cryptocurrency mining and data centers, terminating the interim official control imposed by Ordinance No. 2018-04, and establishing an effective date.

WHEREAS, the City of Wenatchee has adopted the Wenatchee Urban Area Comprehensive Plan and a series of sub-area comprehensive plans pursuant to the Growth Management Act (GMA), RCW Chapter 36.70A, which cover the Wenatchee Urban Growth Area and all incorporated areas within the City of Wenatchee, that have been found to be consistent with each other and with the adopted GMA plans of the adjoining jurisdictions; and

WHEREAS, the City of Wenatchee Planning Commission has transmitted a recommendation of approval to this Council regarding amendments to the Wenatchee City Code related to its development regulations; and

WHEREAS, notice of all public hearings on this matter have been published according to law; and

WHEREAS, the Wenatchee City Council adopt the Findings of Fact and Conclusions as set forth in Exhibit A and incorporate them in this Ordinance by this reference as though fully set forth herein; and

WHEREAS, the Wenatchee City Council adopted Ordinance No. 2018-04 on February 22, 2018 imposing a 12 month interim official control on the acceptance of applications for the establishment, siting, location, operation, permitting, and licensing of cryptocurrency mining which can be lifted with the adoption of the code changes contained herein.

NOW, THEREFORE, the City Council of the City of Wenatchee do ordain as follows:

SECTION I

That the amendments to the Wenatchee City Code as set forth in Exhibit B attached hereto and incorporated by this reference shall be and hereby are approved and adopted.

SECTION II

That Ordinance No. 2018-04, and the interim official control imposed therein, shall be and hereby is repealed in its entirety.

SECTION III

If any section, subsection, sentence, clause or phrase of this Ordinance is declared or judged by a court of competent jurisdiction to be invalid or unconstitutional, such adjudication shall in no manner affect the remaining portions of this Ordinance which shall be in full force and effect as if said section, subsection, sentence, clause or phrase so declared or adjudged invalid or unconstitutional were not originally a part hereof.

SECTION IV

This ordinance shall take effect thirty (30) days from and after approval and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE this ____ day of January, 2019.

CITY OF WENATCHEE, a municipal corporation

By _____
FRANK KUNTZ, Mayor

ATTEST:

By _____
TAMMY L. STANGER, City Clerk

APPROVED:

By _____
STEVE D. SMITH, City Attorney

EXHIBIT “A”

FINDINGS OF FACT

1. The City of Wenatchee has adopted the Wenatchee Urban Area Comprehensive Plan and a series of sub-area comprehensive plans pursuant to the Growth Management Act (GMA), RCW Chapter 36.70A, which cover the Wenatchee Urban Growth Area and all incorporated areas within the City of Wenatchee, that have been found to be consistent with each other and with the adopted GMA plans of the adjoining jurisdictions.
2. The City of Wenatchee Planning Commission is responsible for long range planning matters and providing implementation recommendations to assure compliance with the Growth Management Act for the City of Wenatchee Urban Growth Area in coordination with Chelan County. These measures include updates and amendments to the comprehensive plan; development regulations, environmental regulations, and any other rules, actions or regulations deemed necessary to implement the Growth Management Act.
3. RCW Chapters 36.70 and 36.70A authorize the adoption of development regulations.
4. The City of Wenatchee Planning Commission has reviewed the entire record and public testimony as it relates to the proposed amendments to the Wenatchee City Code.
5. Cryptocurrency is a term encompassing code-based protocols supporting an electronic, non-physical media for the exchange of value; and
6. Cryptocurrency mining is a continuous process where computers work to solve algorithms to maintain and build an algorithmic chain, or blockchain, and in exchange are granted cryptocurrency; and
7. Typical physical characteristics of cryptocurrency mining include specialized computer hardware, high electricity use, and the use of equipment to cool the hardware; and
8. Cryptocurrencies have an ever-fluctuating monetary value and can be exchanged for conventional currency; and
9. The value of certain cryptocurrencies has been achieving high market prices recently; and
10. The region’s low electricity prices create a high rate of return for locating cryptocurrency mining operations in the City; and
11. The continuous use of specialized computer hardware creates a high-density load situation which is taxing the existing electricity distribution and service infrastructure throughout various parts of the City; and
12. The use of this specialized computer hardware, creating a high density load situation, in areas or at facilities where the electricity distribution infrastructure is not designed for its high energy loads creates a fire safety hazard; and
13. The energy consumption characteristics of cryptocurrency mining was not envisioned in the development of the community’s plans as they pertain to accommodating future growth; and
14. If the current trends continue where cryptocurrency mining becomes increasingly prevalent, the Chelan County Public Utility District (PUD) may not be able to meet the community’s electricity consumption needs in a timely manner and therefore the

community would not be able to accommodate its projected growth without the siting and construction of significant electrical infrastructure including power substations and lines; and

15. Goal 1 in the Utilities Element of the Wenatchee Urban Area Comprehensive Plan, states: “Ensure that the utilities necessary to support development are adequate at the time they are needed without decreasing service levels below those locally acceptable”, Policy 2 of Goal 1 further states: “No development will be approved that reduces the level of service of any utility below the adopted level of service”; and
16. Goal ED 6 in the Economic Development Element of the Wenatchee Urban Area Comprehensive Plan, states: “Work with regional partners to ensure that regional and local infrastructure needs are addressed”;
17. Key strategy number 10 (adopted as a policy by Goal ED 1, Policy 1) in the Economic Development Element of the Wenatchee Urban Area Comprehensive Plan begins with “Pursue data farm development” and goes on to describe the benefits this type of development may bring to the community including the following passage: “Selling reliable hydropower at market prices provides an amazing economic impact in terms of tax revenues to the schools and other governmental services”; and
18. The Chelan County PUD, as a public utility, does not have economic development authority or the ability to enforce or regulate the City’s community or economic development goals;
19. It is the City of Wenatchee’s understanding that Chelan County PUD, as a public utility, has limited legal authority, beyond rates and service regulations, to ensure that the public health safety concerns are adequately addressed, or that after connecting a High Density Load (HDL) there is sufficient capacity reserved in the electrical infrastructure to meet the City’s community and economic development goals; and
20. The Wenatchee City Code does not currently have a specific land use category for cryptocurrency mining or data centers; and
21. This ordinance will establish a land use category and performance standards for the review and approval of new cryptocurrency mining and data center operations in the City of Wenatchee; and
22. The City Council adopted Ordinance 2018-04 on February 22, 2018, enacting an interim zoning control with standards and regulations for cryptocurrency mining in the City.
23. The City Council held a public hearing on March 22, 2018 on the interim control pursuant to RCW 36.70A.390 and RCW 35A.63.220. The Council passed Resolution 2018-13 adopting findings of fact and a work plan.
24. The Planning Commission conducted workshops on July 18, 2018, August 15, 2018, September 19, 2018, October 17, 2018, and November 27, 2018 on the topic of Cryptocurrency Mining.
25. Planning staff held a workshop with the City Council on November 15, 2018 on the topic of Cryptocurrency Mining.
26. The City of Wenatchee issued a determination of non-significance on November 30, 2018 and provided copies of the environmental documents to the Department of Ecology SEPA Register for the amendments on November 30, 2018.

27. Notice of the public 14 day expedited review and comment period, and public hearing dates were published in the Wenatchee World on November 30, 2018.
28. A notice correcting the location of the scheduled January 10, 2019 public hearing was published in the Wenatchee World on January 6, 2019.
29. On November 30, 2018, the City of Wenatchee provided formal notice to the Washington State Department of Commerce of the intent to adopt amendments to the Wenatchee City Code with a request for expedited review per RCW 36.70A.106. Additional notices were provided to local and regional agencies for the 60 day review and comment periods/environmental determinations.
30. On December 11, 2018, the City of Wenatchee Planning Commission conducted an advertised public hearing. The Planning Commission entered into the record the files on this amendment, accepted public testimony, and deliberated the merits of the proposal.

CONCLUSIONS OF LAW:

1. The procedural and substantive requirements of the State Environmental Policy Act have been complied with.
2. The procedural requirements of RCW 36.70A have been complied with.
3. The proposed amendments are designed to be consistent with the City of Wenatchee Urban Area Comprehensive Plan, State, and Federal laws and regulations.
4. The proposed amendments are consistent with the requirements of Revised Code of Washington, and the Washington Administrative Code.
5. The proposed amendments have been reviewed and processed in accordance with the requirements of Title 10 Zoning, Title 12 Environmental Protection, and Title 13 Administration of Development Regulations of the City of Wenatchee Code.

EXHIBIT “B”
Proposed Code Amendments

WCC10.08.050 Definitions “C”:

“Cryptocurrency mining” means the operation of specialized computer equipment for the primary purpose of adding, securing, or verifying transactions to a blockchain or mining one or more blockchain-based cryptocurrencies such as Bitcoin. This activity typically involves the solving of algorithms as part of the development and maintenance of a blockchain which is a type of distributed ledger maintained on a peer-to-peer network. Typical physical characteristics of cryptocurrency mining include specialized computer hardware; High Density Load (HDL) electricity use; a high Energy Use Intensity (EUI) where the operating square footage as determined by the Utility is above 250kWh/ft^2/year and with a high load factor in addition to the use of equipment to cool the hardware and operating space. For the purposes of the associated regulations, cryptocurrency mining does not include the exchange of cryptocurrency or any other type of virtual currency nor does it encompass the use, creation, or maintenance of all types of peer-to-peer distributed ledgers.

10.08.055 Definitions “D”

“Data Center” – A facility where the primary use is to house and operate networked computer systems and associated components that include, but may not be limited to, power supply, data communications connections, environmental controls, and security devices. Facilities or operations that meet the definition of “Cryptocurrency mining” will be regulated under that land use designation.

10.10.020 District Use Chart.

District Use Chart																		
<p align="center">P = Permitted use P1 = Permitted, not to occupy grade level commercial street frontage AU = Accessory use C = Conditional use C1 = Permitted, not to occupy grade level commercial street frontage ~ = Prohibited use M = Permitted use in a corridor mixed use project within the MRC overlay</p>																		
Uses	Commercial Districts				Mixed Use Districts			Residential Districts				Overlay Zones						
	CBD	NWBD/SWBD	CN	I	WMU	OMU	RMU	RF	RS	RL	RM	RH	HEO	CSO	MRC	IO	PO	RRO
Industrial																		
Cryptocurrency Mining	P1	P1	~	P	~	~	~	AU	AU	AU	AU	AU	P1	P1	~	~	~	~
Data Center	P1	P1	~	P	P1	P1	~	~	~	~	~	~	P1	P1	~	P	~	~

10.48.310 Cryptocurrency mining and Data Centers

All cryptocurrency mining operations where allowed by Chapter 10.10 WCC, District Use Chart, shall meet the following standards unless otherwise regulated within this code:

- (1) Applications for a business license shall be processed as a Type II administrative review with public notice under WCC 13.09.040.
- (2) The use of cargo containers, railroad cars, semi-truck trailers and other similar storage containers for any component of the operation is strictly prohibited.
- (3) Prior to approving the business license, the applicant shall provide written verification from the Chelan County Public Utility District (PUD) stating the following:
 - i. Adequate capacity is available on the applicable supply lines and substation to ensure that the capacity available to serve the other needs of the planning area are consistent with the normal projected load growth envisioned by the PUD.
 - ii. Utility supply equipment and related electrical infrastructure is sufficiently sized and can safely accommodate the proposed use; and
 - iii. The use will not cause electrical interference or fluctuations in line voltage on and off the operating premises.
- (4) Prior to any cryptocurrency mining, a copy of the Washington State Department of Labor and Industries electrical permit and written verification that the electrical work has passed a final inspection shall be provided to the City and the PUD.
- (5) Data centers and Cryptocurrency mining operations shall not occupy any grade level commercial street frontage. They may be located behind, below, or above existing or proposed storefronts. If a new structure is proposed for housing a data center it shall meet blank wall limitation standards found in WCC10.24.050(9), for all zones except Industrial and the Industrial Overlay.
- (6) All cryptocurrency mining and data center operations, including all ancillary equipment/operations for purposes such as cooling, shall be designed, constructed, operated, and maintained so as to be harmonious and appropriate in appearance with the existing or intended character of the surrounding properties and not cause the dissemination of dust, smoke, glare, heat, vibration or noise in excess of the maximum environmental noise level established by WCC Title 6A or Chapter 173-60 WAC beyond the property line or affecting adjacent buildings. Violation of these established noise levels will result in revocation of a City Business License pursuant to WCC16.12 and any other applicable penalties.

COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council Members

FROM: Captain Edgar Reinfeld

SUBJECT: Interagency Agreement Extension for Community Survey with WSU

DATE: January 10, 2019

The City of Wenatchee and Washington State University's Division of Governmental Studies and Services entered into an agreement on August 14, 2018 to conduct a community survey on behalf of the Wenatchee Police Department. To allow for more survey results, the survey period was extended to December 31, 2018. Attached is an amended agreement to extend the period of performance through February 28, 2019 to allow WSU to fully build and provide survey results in accordance with the original agreement.

Financial Impacts:

There are no changes to the previously agreed upon costs associated with this work.

No Financial Impacts:

N/A

Action Requested:

I request the Council provide authorization for Mayor Kuntz to sign the attached amendment to the agreement with Washington State University.

Attachments:

- a. Interagency agreement 134458-001 with WSU for signature

AMENDMENT 1

INTERAGENCY AGREEMENT – 134458-001
Between _____
CITY OF WENATCHEE
and
WASHINGTON STATE UNIVERSITY
DIVISION OF GOVERNMENTAL STUDIES AND SERVICES

WHEREAS: An Interagency Agreement was entered into on the 14th day of August, 2018 for the project entitled “Wenatchee Community Feedback Survey” for the period commencing May 25, 2018 and terminating December 31, 2018 under University’s Project Director(s), Christina Sanders, Season Hoard and Brian Anderson.

NOW THEREFORE: Both parties desire to continue the collaboration and amend the Agreement as follows:

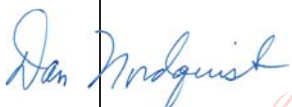
The **PERIOD OF PERFORMANCE** shall be modified by changing the completion date from **12/31/18** to **2/28/19**.

All other terms and conditions of the original agreement and any and all amendments thereto remain in full effect.

IN WITNESS WHEREOF:

WASHINGTON STATE UNIVERSITY

CITY OF WENATCHEE

 Digitally signed by Dan Nordquist, AVP, Authorized Official Date: 2018.12.10 15:04:42 -08'00'	
Signature	Signature
Research Operations and Support	Frank Kuntz, Mayor Printed Name & Title
Date	Date

COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council Members

FROM: Kari Page, Human Resources Director

SUBJECT: Ordinance

DATE: January 7, 2019

In late 2018, as a part of the regular schedule of consideration of updates to Mayor and Council salaries, HR went through a comparative analysis to similar cities and provided an overview of salary information to the City Council Finance Committee and to the Council in a work session on October 18, 2018. After review, City Council asked that the City Council salary ordinance be brought forward at the end of January, and that the Mayor salary have further review with the City Council Finance Committee to look at comparable cities for benefits, and to have information on when the last increase was provided. Council member Mayor Pro tempore Ruth Esparza took the lead in looking at the additional review for the Mayor's salary which found that the last adjustment was in Ordinance 2007-38. In addition for Strong Mayor cities, the benefit package is commensurate with comparable cities. This information was made available to City Council and the 2019 budget was approved by the City Council with the salary that Ordinance 2019-01 would implement for the position of Mayor.

Budget Impact: City Council approved the 2019 budget with this salary amount included.

Action Requested: City Council approval of Ordinance 2019-01 establishing compensation for the Mayor, amending Ordinance No. 2007-38, codified at WCC 1.06.040.

ORDINANCE NO. 2019-01

AN ORDINANCE, of the City of Wenatchee establishing compensation for the Mayor, amending Ordinance No. 2007-38, codified at WCC 1.06.040, to the extent it is inconsistent with this Ordinance, and providing for an effective date.

WHEREAS, RCW 35A.12.070 provides that elective officials' salaries shall be set by ordinance; and

WHEREAS, the City Council desires to reset the salary of the Mayor.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WENATCHEE DO ORDAIN as follows:

SECTION I

Prior Ordinance No. 2007-38, Section IV, codified at WCC 1.06.040, shall be and hereby is amended to read as follows:

The salary for the person holding the office of Mayor shall be \$8,500 per month effective January 1, 2019. On January 1 of each year hereafter, the Mayor's salary shall increase equal to the percentage increase paid to non-represented City employees. In no event shall the Mayor's salary decrease.

In addition to the monthly salary the Mayor will participate in all benefit programs afforded to regular full time City employees. These benefits consist of:

1. Membership in the Public Employee Retirement System.
2. Health insurance for the Mayor and family.

3. Life insurance for the Mayor.
4. City match of up to 2% of base salary applied to an Internal Revenue Code Section 457 deferred compensation program.
5. Participation in the Internal Revenue Code Section 125 flexible spending program.

SECTION II

This Ordinance shall take effect thirty (30) days from and after publication; provided, however, that it is the intent hereof that the Mayor's salary increase provided for herein be applied retroactively to January 1, 2019.

PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE at a regular meeting thereof this 10th day of January, 2019.

CITY OF WENATCHEE, a Municipal Corporation

By: _____
FRANK J. KUNTZ, Mayor

ATTEST:

By: _____
TAMMY STANGER, City Clerk

APPROVED:

By: _____
STEVE D. SMITH, City Attorney

**COUNCIL AGENDA REPORT
FINANCE DEPARTMENT**

TO: Frank Kuntz, Mayor
City Council Members

FROM: Brad Posenjak, Finance Director

SUBJECT: Requesting approval of Resolution 2019-03 authorizing the temporary lending of cash from the General Fund to the CDBG Entitlement Fund, the Police Station GO Bond Fund, and other funds as need in 2019.

DATE: January 2, 2019

MEETING DATE: January 10, 2019

I. OVERVIEW

The City of Wenatchee's CDBG Entitlement Fund and the Police Station GO Bond Fund have temporary negative cash balances.

The CDBG Entitlement Fund is funded by federal grants on a reimbursement basis. This requires an initial expenditure of cash that requires short term borrowing. The requests for reimbursement are processed as quickly as possible by the department.

The negative cash balance in the Police Station GO Bond Fund is caused by delinquent property tax assessments and only occurs when bond payments are made at year end. The County Treasurer will eventually collect and remit the delinquent taxes through their collection process.

This resolution also acknowledges and authorizes occasional temporary loans from the General Fund to other Funds that occur throughout the year.

II. ACTION REQUESTED

Approval of Resolution 2019-03 authorizing the temporary lending of cash from the General Fund to the CDBG Entitlement Fund, Police Station GO Bond Fund, and various other funds as needed in 2019.

III. FISCAL IMPACT

Nominal amounts of General fund interest revenue. This resolution has been reviewed by Finance Committee.

IV. ATTACHMENTS

Resolution #2019-03

V. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk

RESOLUTION NO. 2019-03

A RESOLUTION, approving the temporary lending of cash from the General Fund to other funds, including but not limited to, the CDBG Entitlement Fund and the Police Station GO Bond Fund, as needed, in 2019.

WHEREAS, the City of Wenatchee's CDBG Entitlement Fund and Police Station GO Bond Fund have temporary negative cash balances. The negative cash balance in the Police Station GO Bond Fund is caused by delinquent property tax assessments and only occurs when bond payments are made at year end. The CDBG Entitlement Fund are grant funded on a reimbursement basis. The requests for reimbursement of the negative cash balances will be processed as soon as possible.

WHEREAS, from time to time, other funds outside the General fund require temporary lending to relieve cash flow issues created by the timing of financial outflows and inflows.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE that temporary lending of cash from the General Fund to other funds, including but not limited to, the CDBG Entitlement Fund and Police Station GO Bond Fund, as needed, in 2019 is hereby authorized.

BE IT FURTHER RESOLVED that any temporary lending of cash from the General Fund to the CDBG Entitlement Fund and Police Station GO Bond Fund, that occurred prior to the date of this resolution is hereby ratified and approved.

**PASSED BY THE CITY COUNCIL OF THE CITY OF
WENATCHEE**, at a regular hearing thereof this 10th day of January, 2019.

CITY OF WENATCHEE, a Municipal Corporation

By: _____
FRANK KUNTZ, Mayor

ATTEST:

By: _____
TAMMY STANGER
City Clerk

APPROVED:

By: _____
STEVE D. SMITH, City Attorney

**COUNCIL AGENDA REPORT
FINANCE DEPARTMENT**

TO: Frank Kuntz, Mayor
City Council Members

FROM: Brad Posenjak, Finance Director

SUBJECT: Resolution #2019-04, Financial Management Policy Revisions

DATE: December 31, 2018

MEETING DATE: January 10, 2019

I. OVERVIEW

As the City came out of the recession, it adopted Financial Management Policies in 2012. These policies were overhauled in 2018. After a year of working with the revised policy, we have noticed several instances where duplicate approvals have been needed for capital project budgets. Therefore, we would like to slightly increase the limits of the capital project budget amendments to help cut down on additional administration over small amounts.

II. ACTION REQUESTED

Staff requests the City Council approve Ordinance #2019-04 to update the City's Financial Management Policy.

III. FISCAL IMPACT

This policy updates the Capital Project Budget approval process, but does not have a direct measurable fiscal impact. This has been reviewed by Finance Committee.

IV. ATTACHMENTS

Resolution #2019-04
Exhibit "A", Financial Management Policy

V. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Allison Williams, Executive Services Director
Rob Jammerman, Public Works Director

RESOLUTION NO. 2019-04

A RESOLUTION, adopting updated financial management policies.

WHEREAS, the purpose of a financial management policy is to outline the financial goals, expectations, policies, and processes of the City; and

WHEREAS, it is the responsibility of the City Council of the City of Wenatchee to provide policy direction through the passage of ordinances, resolutions, and budget.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE that the updated financial management policies attached hereto as Exhibit "A" shall be and hereby are adopted by the City of Wenatchee; and

BE IT FURTHER RESOLVED that this resolution shall amend and restate the prior Financial Management Policy of the City adopted by Resolution No. 2018-07 on February 8, 2018.

PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE, at a regular hearing thereof this 10th day of January, 2019.

CITY OF WENATCHEE, a Municipal Corporation

By: _____
FRANK KUNTZ, Mayor

ATTEST:

By: _____
TAMMY STANGER
City Clerk

APPROVED:

By: _____
STEVE D. SMITH, City Attorney

Exhibit A

City of Wenatchee Financial Management Policies

General Financial Goals

1. Ensure delivery of an adequate level of municipal services by relying on ongoing resources and by maintaining an adequate financial base to withstand changes in volatile revenue sources.
2. Ensure that the City is in a position to respond to changes in the economy or new service requirements without an undue amount of financial stress.
3. Maintain a good credit rating in the financial community and assure taxpayers that City Government is well managed financially and maintained in sound fiscal condition.
4. Maintain City facilities, infrastructure, equipment and fleets in a well-planned and efficient manner to minimize unexpected and preventable expenditures.

Finance Committee

A standing Finance Committee will be formed with regularly scheduled meetings, at least monthly. The committee members are: Mayor, 3 Councilmembers, Finance Director, and Executive Services Director. The Finance Committee will review the budget, quarterly financial updates, personnel increases, grant agreements with extended commitments and unbudgeted match requirements, all forms of debt commitments and contracts and other items as they occur.

Primary Budget Responsibility

1. The City Council has final responsibility for approving the annual Operating Budget and appropriating funding for the capital needs of the City. The City's budget is adopted at the Fund level and monitored on the department level in the General fund.
2. The Mayor and the Finance Department have the primary responsibility for bringing the budget forward for Council consideration. Department Directors, will have the primary responsibility for proposing programs, recommending funding levels, analyzing position expense distributions, and formulating budget proposals for implementing service programs in accordance with established City Council goals and directives. The Mayor and Department Directors are responsible for the overall management of their respective budgets through monitoring, identifying and correcting any budgetary problems as they arise. The Finance Department will assist the Department Directors ~~if~~as needed.
3. At the direction of the Mayor, the Finance Department coordinates the overall preparation and administration of the City's budget in compliance with applicable State of Washington statutes.

The Finance Department provides the budget calendar and revenue budget estimates, assists department staff in identifying budget problems and formulating alternative solutions, and prepares and distributes the final budget document.

4. Annually, the Finance Department and the Department Directors will present to the Finance Committee the preliminary results of the prior year's budget.
5. Multi-year capital project budgets should be prepared with sufficient detail to ensure accurate projections and monitoring.

Operating Budget Policies

1. Ongoing or recurring revenues in each fund should be equal to or exceed ongoing expenditures. The General fund budget shall identify ongoing resources that at least match expected ongoing annual expenditure requirements. One-time cash transfers and non-recurring ending fund balances will be applied to reserves or to fund one-time expenditures; they will not be used to fund ongoing programs without the City Council's specific approval.
2. The Finance Department will provide budget status reports to the Mayor, City Council and Department Directors at least quarterly. Department Directors are expected to monitor revenue and expenditures on a more frequent basis through the use of the City's accounting reporting system.
3. Expenditure budget adjustments will only be allowed for unanticipated circumstances when approved by Finance Committee and adopted by City Council.
4. To ensure all possible revenues are received and billed properly and all contractual payments are made on a timely basis, a copy of all contracts and agreements will be given to the Finance Department for review and to schedule billings/payments. The Department Director signing the agreement will ensure a copy of the contract is provided to the Finance Department.

Revenue Policies

1. To the extent possible, a diversified and stable revenue system will be maintained to shelter public services from short-term fluctuations in any one or combination of multiple revenue sources.
2. Revenue forecasts shall be realistically estimated and based on the best information available.
3. The City will follow best practices to collect revenues.
4. Retail Sales and Use tax revenue will be reviewed for projects greater than \$5 million. The revenue from these projects will be considered one-time revenues and should not be used to support recurring operations.
5. In order to adequately deal with short-term (anticipated duration of less than one year) economic downturns and temporary gaps in cash flow, expenditure reductions or restrictions may be imposed by the Mayor and/or the City Council. Alternately, the Council may approve a one-time drawdown of the Rainy Day Reserve to address temporary downturns in City revenues. Interfund loans authorized by the Council and paying interest, may be utilized to cover temporary gaps in cash flow.
6. To address long-term (greater than one year) revenue downturns, revenue forecasts will be revised and expenses will be reduced to conform to the revised long-term revenue forecast, and new sources of revenue or revenue increases will be considered. Deficit financing and

borrowing to support ongoing operations will not be considered as an acceptable policy of the City as a response to long-term revenue shortfalls.

7. All potential grants shall be carefully examined for matching requirements. Some grants may not be accepted if the local matching funds cannot be readily identified or justified. Grants may also be rejected if the financial obligation of the programs must be continued with local resources after grant funds are exhausted.
8. Fees and service charges should be reviewed by the responsible department to ensure the maximum amount of cost recovery. Utility rate studies shall be conducted to ensure that the rates will continue to support direct and indirect costs of operations, administration, plant maintenance, debt service, depreciation of capital assets, and moderate system extensions.
9. The City will review contracts and leases which result in revenues to the City on a timely basis in order to provide for careful evaluation by the City Council.
10. Recurring or ongoing revenues are defined as sustainable funding sources received over multiple years from which ongoing services can be funded. Recurring revenues do not include grant awards or other one-time revenues. Recurring revenues are tracked and reported on a regular basis to the Finance Committee and any fluctuations or deviations are noted for the purposes of adjusting impacted ongoing City operations.

Expenditure Policies

1. The City will only propose operating expenditures which can be supported from on-going operating revenues. Before the City undertakes any agreements that would create fixed on-going expenses, the cost implications of such agreements will be fully determined for current and future years. As a part of the Capital Facilities Plan development, capital expenditures may be funded from one-time revenues, however, the operating budget expenditure impacts of capital expenditures will be reviewed for compliance with this policy provision.
2. The City will review funds, for services provided internally by other funds. The estimated direct and indirect costs of service will be budgeted and charged to the fund receiving the service. Interfund service fees charged to recover these costs will be recognized as revenue to the providing fund. A review of the method for determining the amount of the interfund assessment will be conducted periodically. When possible, expenditures will be made from the fund receiving the benefit rather than relying on interfund billing to recover these costs.
3. Emphasis is placed on improving individual and work group productivity rather than adding to the work force. The City will invest in technology and other efficiency tools to maximize productivity.
4. The creation of new employee positions must be documented and approved by the Council. This will normally be done during the budget process with the documentation supporting the new position included in the Council budget packets.
5. All compensation planning and collective bargaining will focus on the total cost of compensation, which includes direct salary, payroll taxes, health care benefits, pension contributions, training allowance, and other benefits of a non-salary nature, which are a cost to the City.
6. One-time revenues will not be used to support ongoing expenditures.

7. Facility maintenance expenditures will be budgeted for annually in the appropriate funds using the facilities and transferred into the Facility Maintenance Fund. The annual rate will include the costs for routine maintenance and a reasonable amount to create a Capital Reserve.
8. Recurring or ongoing expenditures/expenses are defined as costs incurred for the daily activities needed to provide services to the citizens of Wenatchee. Recurring expenditures do not include one-time grant expenses but departments may be required to find matching requirements from within their regular budget. Recurring expenses include all debt obligations unless the debt is short-term (3 years or less) and has an independent funding source.
9. Capital projects will be budgeted by task: preliminary engineering/design, right of way, construction engineering/management and construction; as applicable. The capital project budget will indicate the funding source(s) by fund and grant award, as applicable. [Capital projects with budgets greater than \\$100,000 will be approved by the Council either through the budget process or specific capital project approval.](#) Capital projects exceeding the project budget by more than [5%-10%, or \\$25,000, whichever is greater.](#) must obtain Council approval prior to the overage

Reserve Fund Policies

1. The General Fund will maintain a minimum unrestricted fund balance of 15% of recurring expenditures to ensure adequate cash flow. The General Fund will also maintain a minimum of \$1,000,000 Rainy Day restricted fund balance to be used only with Council approval. The reserve will be established and replenished from one-time revenues not committed for other purposes, excess operating reserves or by budgetary action.
2. The Convention Center, Street, Community Center, and Cemetery funds will maintain a minimum unrestricted fund balance of 15% of recurring expenditures to ensure adequate cash flow.
3. Utility funds will meet reserve requirements indicated in the appropriate rate studies and bond covenants.
4. The Self Insurance Fund will maintain an unrestricted fund balance \$500,000 greater than the annual insurance premium.
5. The Equipment Rental and Replacement Fund will maintain a reserve balance adequate to replace equipment on an established schedule.
6. The Information Services Fund will maintain a reserve fund balance sufficient to annually replace equipment and software and cover operations.
7. The Facilities Maintenance fund will maintain a reserve balance sufficient to maintain operations of City facilities and prepare for major unexpected facility repairs.
8. Reserve balances requirements are evaluated at the end of the fiscal year. If the reserve balances of any fund listed in this section is drawn down below the minimum requirements, a plan or budget will be created to replenish the reserves in no more than two years.

TO: Frank Kuntz, Mayor
City Council

FROM: Jeremy Hoover, P.E., Senior Engineer - Utilities



SUBJECT: Horse Lake Road Sanitary Sewer Extension - Project No. 1713
Project Budget Amendment 2

DATE: January 4, 2019

MEETING DATE: January 10, 2019

I. OVERVIEW

The project included the construction of approximately 1,585 linear feet of 8 inch, sanitary sewer main line in Dawn Terrace north of Maiden Lane and Horselake Road from Dawn Terrace to Tanda Lane. Associated individual side sewer services are included for each developed lot.



During initial excavation, very poor soil conditions were encountered. Fill consisting of 12 to 16 inch river cobbles, small quantities of debris and large boulders up to 6 feet in diameter were encountered with little binding soil in that layer. The subgrade conditions improved as the project progressed northward allowing for a smaller trench width. However, the pavement structural section, which consisted of thin layers of asphalt on top of clay remained similar to what was initially encountered on Dawn Terrace.



After installation of the sewer piping and backfill operations were complete, preparation for paving began. When the road was cleaned and exposed, the amount of asphalt that was entirely pulverized was found to extend far beyond the trench limits. This failure was due to the overburden from construction equipment along with the generally poor construction of the road bed and asphalt prior to the onset of construction. Very little of the existing road was salvageable and reconstruction of the majority of Horse Lake road as well as Dawn Terrace was necessary.

II. ACTION REQUESTED

Staff recommends the City Council amend the project budget by \$89,365 to pay for the additional paving and roadway work and further authorize the Mayor to approve the construction change order.

III. FISCAL IMPACT Submitted to the Finance Committee (Yes – 10-25-18) No

This project was included in the 2018 Budget and is funded through Fund 405 - Sewer. The first budget amendment increased the project budget by \$158,500 to \$715,500. This budget amendment will raise the amount by another \$89,365 to a total of \$804,865.

Current Project Budget

Description	Amount
Design	20,000
In House Management	2,000
Construction & Surveying	657,000
Construction Engineering	30,000
Art Fund	6,500
Total Project Cost	715,500

Amended Project Budget

Description	Amount
Design	20,000
In House Management	2,000
Construction & Surveying	743,500
Construction Engineering	32,000
Art Fund	7,365
Total Project Cost	804,865

IV. PROPOSED PROJECT SCHEDULE

Final paving was completed in November 2018. Minor landscaping at the intersection of Dawn Terrace and Horse Lake Road along with roadway striping remains to be completed. Services are currently being sold with seven new customers having established billing accounts and connected. Temporary pavement markings have been installed for the winter. Final road striping will be completed once temperatures are sufficiently warm this spring.

V. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
 Rob Jammerman, Public Works Director
 John Ricardi, Utilities Manager
 Gary Owen, City Engineer
 Natalie Thresher, Contracts Coordinator
 Brad Posenjak, Finance Director

2019 Capital Improvement Project Budget

Date: January 4, 2019

Project Name: Horse Lake Road Sanitary Sewer Extension **Project Category:** Sanitary Sewer

Project Description:	Extention of sanitary sewer through Dawn Terrace and Horse Lake Road north of Maiden Lane.
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Lead Engineer:	Jeremy Hoover	Start Year:	2017
Assigned Department:	Engineering	End Year:	2019
Current Project Budget:	\$715,500	Project Number:	1713
Budget Amendment:	\$89,365	Total City Funding:	\$804,865
		Other Funding:	\$0

Revenue Notes and/or Requests for Budget Changes:

Subsoils and existing road structure were problematic throughout the project. The excavation in Dawn Terrace resulted in much more excavation than was originally anticipated. The costs associated with the work on Dawn Terrace were addressed in a budget amendment at the end of October. Preparation for paving began in early November. When the asphalt was cleaned and broomed after completion of pipe installation and backfill, the amount of failed asphalt was extensive. The weight of equipment traveling across the roadway had cracked the road surface to the point of failure. As such, reconstruction of the majority of Horselake from Dawn Terrace to Tanda Lane was required. Costs for the additional quantities of asphalt and rock for paving exceed the project budget requiring an ammendment to the budget.

Project Expenditures by Category	Current Budget	Budget Amendment	Prior Years Spent	ESTIMATES			Project Total
				2017	2018	2019	
Design Engineering	20,000			900	19,100		20,000
In House Management	2,000			800	1,200		2,000
Construction Contract & Surveying	657,000	86,500			687,000	56,500	743,500
Construction Engineering	30,000	2,000			30,000	2,000	32,000
Art Fund	6,500	865			7,365		7,365
Total Project Expenditures	715,500	89,365		1,700	744,665	58,500	804,865

Project Revenues by Category	Current Budget	Budget Amendment	Prior Years	ESTIMATES			Project Total
				2017	2018	2019	
Fund: #405 - Sewer	715,500	89,365		1,700	744,665	58,500	804,865
Fund:	-						
Fund:							
Fund:							
Fund:							
GRANTS:							
Federal							
TIB							
Total Project Revenues	715,500	89,365		1,700	744,665	58,500	804,865

TO: Frank Kuntz, Mayor
City Council

FROM: Rob Jammerman, Public Works Director
Rachael Ivie, Public Works Business Manager

SUBJECT: Iron Adjustments – Budget Authorization

DATE: January 3, 2019

MEETING DATE: January 10, 2019

I. OVERVIEW

In 2018 over five miles of City streets received a thin structural asphalt overlay (skin patch) to prepare the streets for a chip seal application in 2019. When streets receive an asphalt overlay, iron utility castings such as manhole frame lids and water valve box lids must be vertically adjusted to the new height of the asphalt overlay; this is commonly referred to as “iron adjustment”. Due to the nature of the work and the existing work plans, it is more efficient to bid this work as a small works project to a local contractor rather than have City maintenance crews perform the work. The three Utility Funds will cover the majority of the project costs with a small portion coming from the Overlay Fund and a 50% contribution from the PUD to assist with the cost of raising their water valve box lids.

II. ACTION REQUESTED

Staff recommends the Finance Committee & City Council approve the project budget for the Iron Adjustments project, see attached.

III. FISCAL IMPACT Yes No

The estimate for the work is \$105,400. The budget will be updated with accurate bid prices and presented to the Finance Committee & City Council prior to award.

IV. PROPOSED PROJECT SCHEDULE

The request for quotations solicitation is scheduled for January 11, 2019. If a responsible bid is received and recommended for award, the work should begin in spring of 2019.

V. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Rob Jammerman, Public Works Director
Natalie Thresher, Contracts Coordinator

2019 Project Budget

Date: January 9, 2019

Project Name: Iron Adjustments **Project Category:** Overlay & Utilities

Project Description: The small works project will vertically adjust manholes, water valves & monuments affected by the 2018 pavement preservation and maintenance efforts.

Original Project Budget:	<u>\$141,250</u>	Project Number:	<u>SW18-11</u>
Budget Amendment:		Total City Funding:	<u>\$131,637</u>
		Other Funding:	<u>\$9,613</u>

Revenue Notes and/or Requests for Budget Changes:

Project Expenditures by Category	Original Budget	Amended Budget	Prior Years Spent	ESTIMATES			Project Total
				2018	2019	2020	
Construction Contract	141,250				141,250		141,250
Total Project Expenditures	141,250				141,250		141,250

Project Revenues by Category	Original Budget	Amended Budget	Prior Years	ESTIMATES			Project Total
				2018	2019	2020	
Fund: #111 - Overlay	19,913				19,913		19,913
Fund: #401 - Water	19,225				19,225		19,225
Fund: #405 - Sewer	46,250				46,250		46,250
Fund: #410 - Storm Drain Utility	46,250				46,250		46,250
Fund:							
External Funding:							
Chelan County PUD	9,613				9,613		9,613
Total Project Revenues	141,250				141,250		141,250

Approved by: Brad Posenjak, Finance Director

Date: _____

TO: Frank Kuntz, Mayor
City Council

FROM: Glen DeVries, Community Development Director
Stephen Neuenschwander, Planning Manager

SUBJECT: Historic Preservation Board Member Re-appointment(s) – Wendy Priest and Darlene Baker

DATE: January 7, 2018

MEETING DATE: January 10, 2018

I. OVERVIEW

In accordance with the City of Wenatchee Historic Preservation Ordinance, the Historic Preservation Board consists of 7 members appointed by a majority of the Wenatchee City Council. Recently, three board members had term limits that expired December 31, 2018 – Lisa Dahlgreen, Wendy Priest and Darlene Baker.

At the board's regular meeting on December 5, 2018, board members Priest and Baker both expressed a desire to serve another three-year term. Board member Dahlgreen advised that she would not seek re-appointment.

Following their discussion, the board was in agreement to forward a recommendation to Council for the re-appointment of board members Wendy Priest and Darlene Baker to the Historic Preservation Board.

II. ACTION REQUESTED

Staff and the Historic Preservation Board recommend that City Council pass Resolution No. 2019-05, designating the re-appointment of two voting representatives (Wendy Priest and Darlene Baker) to the Historic Preservation Board each for a term ending December 31, 2021.

III. FISCAL IMPACT Submitted to the Finance Committee: No

None, the Historic Preservation Board is made up of volunteer members.

IV. REFERENCE(S)

Resolution 2019-05
Application – Wendy Priest
Application – Darlene Baker

V. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk

RESOLUTION NO. 2019-05

A RESOLUTION, reappointing two voting representatives to the Wenatchee Historic Preservation Board for a three-year terms.

WHEREAS, Wendy Priest and Darlene Baker have expressed interest in being reappointed for three-year terms on the Wenatchee Historic Preservation Board.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF WENATCHEE makes the following reappointments on the Wenatchee Historic Preservation Board:

NAME & ADDRESS	TERM EXPIRES
Wendy Priest 1340 Washington Street Wenatchee, WA 98801	December 31, 2021
Darlene Baker 10 S. Franklin Wenatchee, WA 98801	December 31, 2021

PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE at a regular meeting thereof this 10th day of January, 2019.

CITY OF WENATCHEE, a Municipal
Corporation

By: _____
FRANK KUNTZ, Mayor

ATTEST:

By: _____
TAMMY L. STANGER
City Clerk

APPROVED:

By: _____
STEVE D. SMITH, City Attorney



City of Wenatchee
Volunteer Commission and Board Application

CITY OF WENATCHEE

JUN 17 2015

COMMISSION/BOARD INFORMATION

Board (s) I would like to be considered for: (If more than one, please rank them in order of preference)

- | | |
|---|---|
| <input type="checkbox"/> Arts Commission | <input type="checkbox"/> Greater Wenatchee Regional Events Center PFD Board |
| <input type="checkbox"/> Cemetery Advisory Board | <input checked="" type="checkbox"/> Historic Preservation Board |
| <input type="checkbox"/> Civil Service Board | <input type="checkbox"/> Lodging Tax Advisory Committee |
| <input type="checkbox"/> Code Enforcement Board | <input type="checkbox"/> Parks and Recreation Advisory Board |
| <input type="checkbox"/> Diversity Advisory Committee | <input type="checkbox"/> Planning Commission |
| | <input type="checkbox"/> Tourism Promotion Area Board |

APPLICANT INFORMATION

Last Name: Priest First Name: Wendy Initial: L

Mailing Address: 1340 Washington Street City: Wenatchee Zip: 98801

Residency Requirement: Applicants must reside within the City Limits of Wenatchee except the Arts Commission, Diversity Advisory Committee, Historic Preservation Board, and the Parks & Recreation Advisory Board

Day Phone: cell 360-620-8876 Evening Phone: same as cell

E-mail: wendypriest@comcast.net Years lived in Wenatchee Valley: almost a year

Occupation: Interior Designer / full time mom! Years of Experience: 22 years

Work Address: same as home City: _____ Zip: _____

Education and Formal Training: Bellevue Community College - Interior Deslgn SPU Busn. Management and Clothing and Textile Design

Have you ever been convicted of a felony or released from prison? Yes No

(A conviction record will not necessarily bar you from serving. Factors such as the nature and gravity of the crime, the length of time that has passed since the conviction and/or completion of any sentence, and the nature of the position for which you have applied will be considered.)

Volunteer/Community Experience:

Organization and Duties: Bremerton City Council - 1 four year term and finished out last year for councilman Length of Service: that mved

Organization and Duties: Kitsap Regional Library Foundation Board Length of Service: 5 years

Organization and Duties: Kitsap Museum and Historic Society Board Member Length of Service: 3 years

Organization and Duties: Kitsap County Health Board Member Length of Service: 2 years

Organization and Duties: Served on several committees during the re-write of our city Comp Plan around 2000. Length of Service: _____

Skills/Special Interests: Attended several Main Street Association Conferences - interested in preserving the unique character - of a place - historic preservation is a part of that! CAD drafting, Graphic programs, landscaping & Master Gardener in Kitsap County

Experience related to the Commission/Board: Lots of experience working on committees and boards; helped write the design review ordinance for the City of Bremerton; worked both as a citizen advocate and then council sponsor for the city's 1% for the arts ordinance; design background with interiors for commercial, healthcare, hospitality, senior living, multi-family housing, and residential design; exterior design and color selection for multi-family housing and senior living projects. Applied and received designation to the National Register for Historic Places for our previous home in Bremerton - the first for a private residence in Bremerton.

Why are you seeking this appointment? I care about the unique character and history of a place or community, and am so glad that the City of Wenatchee values that as well, demonstrated by its commitment to historic preservation. I sadly watched a lot of buildings and places that were unique with historic value demolished in Bremerton for development and progress. There can and should be a thoughtful approach to observing a balance between preservation and development, and I feel serving on this board would give me an opportunity to collaborate with other like-minded people to advise the city on issues related to preservation.

Would any conflict of interest be created as a result of your appointment? Yes No

If yes, please explain: only possibility of conflict would be if we decide to make an application for our home. If we did I would of course recuse myself from all discussions and possible recommendation.

REFERENCES

Name: Dr. Lance and Michelle Jobe (brother and sister-in-law)
Address: 918 Idaho Street City: Wenatchee Zip: 98801
Phone: 679-2912 Michelle cell, 679-1089 Lance cell Email: ljskidawg@gmail.com
Occupation: ER doctor - Michelle is very active volunteering in the community and doing math club at 2 schools Years known: brother & sister-in-law

Name: Jamie Forsyth
Address: Kitsap Regional Library Sylvan Way Branch City: Bremerton Zip: 98337
Phone: 360-337-0304 or 206-992-8307 Email: jforsyth@krl.org
Occupation: Executive Director - Kitsap Regional Library Foundation Years known: 5

Name: Lori Smith
Address: 345 6th Street City: Bremerton Zip: 98337
Phone: office - 360-473-5280 cell 360-710-3112 Email: Lori.Smith@ci.bremerton.wa.us
Occupation: Legislative Assistant - Bremerton City Council Years known: 12

AFFIDAVIT OF APPLICANT

I, Wendy L Priest, do hereby certify that the information contained in the foregoing application is true and correct to the best of my knowledge and belief. I also understand that this completed application may be made available for public inspection.



(Signature)
Date: 6/15/15



City of Wenatchee
Volunteer Commission and Board Application

COMMISSION/BOARD INFORMATION

Board (s) I would like to be considered for: (if more than one, please rank them in order of preference)

- | | |
|---|---|
| <input type="checkbox"/> Arts Commission | <input type="checkbox"/> Greater Wenatchee Regional Events Center PFD Board |
| <input type="checkbox"/> Cemetery Advisory Board | <input checked="" type="checkbox"/> Historic Preservation Board |
| <input type="checkbox"/> Civil Service Board | <input type="checkbox"/> Lodging Tax Advisory Committee |
| <input type="checkbox"/> Code Enforcement Board | <input type="checkbox"/> Parks and Recreation Advisory Board |
| <input type="checkbox"/> Diversity Advisory Committee | <input type="checkbox"/> Planning Commission |
| | <input type="checkbox"/> Tourism Promotion Area Board |

APPLICANT INFORMATION

Last Name: Baker First Name: Darlene Initial: L

Mailing Address: 10 S. Franklin Ave. city: Wenatchee zip: 98801

Residency Requirement: Applicants must reside within the City Limits of Wenatchee except the Arts Commission, Diversity Advisory Committee, Historic Preservation Board, and the Parks & Recreation Advisory Board

Day Phone: 509-670-7136 Evening Phone: 509-670-7136

E-mail: darlene@lauracampunkr.com Years lived in Wenatchee Valley: 24

Occupation: Real Estate Broker Years of Experience: 2

Work Address: 175 E. Penny Rd. Ste. B city: Wenatchee zip: 98801

Education and Formal Training: BA Psychology - Wright State University; Real estate course and over 100 hrs Continuing Education

Have you ever been convicted of a felony or released from prison? Yes No
(A conviction record will not necessarily bar you from serving. Factors such as the nature and gravity of the crime, the length of time that has passed since the conviction and/or completion of any sentence, and the nature of the position for which you have applied will be considered.)

Volunteer/Community Experience:

- | | |
|--|---------------------------------|
| Organization and Duties: <u>Historic Preservation Board</u> | Length of Service: <u>2 yrs</u> |
| Organization and Duties: <u>Humane Society - Pet care, walking, cleaning, etc.</u> | Length of Service: <u>1 yr</u> |
| Organization and Duties: <u>Board Washington West Indians Secretary, President</u> | Length of Service: <u>3 yrs</u> |
| Organization and Duties: <u>American Cancer Society - Relay for Life chair</u> | Length of Service: <u>4 yrs</u> |
| Organization and Duties: <u>NCA Association of Realtors - Events Chair</u> | Length of Service: <u>2 yrs</u> |
| Skills/Special Interests: <u>Organized</u> | |

Experience related to the Commission/Board: I was on the Board under Kris Bassett
attended meetings, toured properties, conducted interviews of former teachers
to obtain history of old schools in the area.

Why are you seeking this appointment? I was on the Board at a different stage in
my life, have missed being a part of preserving the historic integrity
of buildings and neighborhoods in Wenatchee and since returning to real estate
after years in the legal field I feel I have some insight to give back to
the board while fostering my love of historic preservation

Would any conflict of interest be created as a result of your appointment? Yes No

If yes, please explain: _____

REFERENCES

Name: Kris Bassett
Address: 408 Idaho St. City: Wenatchee, Zip: 98801
Phone: 509-669-5747 Email: kbassett@nw1.net
Occupation: Retired - Wawawai Valley Museum Years known: 10+

Name: Judy Kuch
Address: 1149 Lexington Pl City: Wenatchee Zip: 98801
Phone: 509-630-8596 Email: j.kuch@kuch.us
Occupation: Retired - Caden Murphy Wallace, PLLC Years known: 50

Name: Kathy Lingo
Address: 237 35th St NE City: East Wenatchee Zip: 98801
Phone: 509-393-4121 Email: lingo4@aol.com
Occupation: Owner - Wenatchee Natural Foods Years known: 50+

AFFIDAVIT OF APPLICANT

I, Darlene Baker, do hereby certify that the information contained in the
foregoing application is true and correct to the best of my knowledge and belief. I also understand that
this completed application may be made available for public inspection.

Darlene Baker
(Signature)
Date: 1-2-2019



**City of Wenatchee
Volunteer Board, Commission and Committee Responsibilities**

To be selected and serve as a City of Wenatchee volunteer Board, Commission or Committee Member is a high honor and provides an unusual opportunity for genuine public service. Although the specific duties of each of the City's Boards vary widely with the purpose for which they are formed, there are certain responsibilities that are common to all members. As a volunteer Board, Commission or Committee representative of the City of Wenatchee, I agree to:

1. Understand my role and scope of responsibility. I will be informed of the Individual group's scope of responsibility and operating procedures.
2. Represent the majority views of the group. Individual "opinions" to the public and press are discouraged, and, if given, must be identified as such.
3. Practice open and accountable government. I will be as open as possible about my decisions and actions, and also protect confidential information.
4. Represent the public interest and not special interest groups.
5. Not make decisions in order to gain financial or other benefits for myself, my family, or friends.
6. Serve as a liaison between the City and its citizens and can help reconcile contradictory viewpoints and to build a consensus around common goals and objectives. I will serve as a communication link between community, staff, and City, representing City programs and recommending and providing a channel for citizen expression.
7. Understand my role as a supportive relationship with the City Council and City staff and to follow the proper channel of communication through the designated staff person providing support for the group.
8. Do my homework and be thorough in recommendations. I will review agenda items under consideration prior to the meeting in order to be fully prepared to discuss, evaluate, and act on all matters scheduled for consideration. My conclusions will be based on careful preparation to strengthen the value of the group's recommendation.
9. Adhere to the highest standards of integrity and honesty in all endeavors and strive to safeguard the public trust. I shall announce any direct or remote conflict of interests prior to the discussion (RCW 42.36).
10. Understand that my authority is limited to decisions made by the group, and that in most cases, the decisions are advisory.
11. Understand that in my role I recommend policy while administrators and staff carry out approved policy.
12. Establish a good working relationship with fellow group members. I will respect individual viewpoints and allow other members time to present their views fully before making comments. I will be open and honest and welcome new members.
13. Not use or involve my membership in the conduct of political activities. However, I am not restricted from participating in political activities outside of my involvement in the group.

I hereby pledge to be positive in my role as a volunteer with the City and accept responsibility for my participation.

Signed: *Darlene Roberts* Date: 1-2-2019

TO: Frank Kuntz, Mayor
City Council

FROM: Glen DeVries, Community Development Director

SUBJECT: Planning Commission Member Re-appointment

DATE: January 7, 2019

MEETING DATE: January 10, 2019

I. OVERVIEW

In accordance with the City of Wenatchee Zoning Code, the Planning Commission consists of 7 members appointed by a majority of the City Council. The term of each planning commissioner shall be for a period of 4 years. Members are eligible to serve three consecutive terms, to a maximum of 14 years.

Recently, Commissioner Susan Albert's term expired on December 31, 2018. At the Planning Commission's regular meeting on December 11, 2018, Albert advised that she would like to serve another term. The Planning Commission was in agreement to forward a recommendation to City Council for her re-appointment.

II. ACTION REQUESTED

Staff and the Planning Commission recommend the City Council pass Resolution No. 2019-06 designating the re-appointment of Susan Albert to the Planning Commission for a four-year term ending December 31, 2022.

III. FISCAL IMPACT Submitted to the Finance Committee: No

None, the Planning Commission is made up of volunteer members.

IV. REFERENCE(S)

1. Resolution 2019-06
2. Susan Albert - Board Application

V. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk

RESOLUTION NO. 2019-06

A **RESOLUTION**, reappointing a voting representative to the Planning Commission.

WHEREAS, Susan Albert has expressed interest in being reappointed for a four-year term on the Planning Commission.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF WENATCHEE makes the following reappointment on the Planning Commission:

NAME & ADDRESS

Susan Albert
1515 Erin Place
Wenatchee, WA 98801

TERM EXPIRES

December 31, 2022

PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE at a regular meeting thereof this 10th day of January, 2019.

CITY OF WENATCHEE, a Municipal
Corporation

By: _____
FRANK KUNTZ, Mayor

ATTEST:

By: _____
TAMMY STANGER, City Clerk

APPROVED:

By: _____
STEVE D. SMITH, City Attorney



City of Wenatchee
Volunteer Commission and Board Application

COMMISSION/BOARD INFORMATION

Board (s) I would like to be considered for: (If more than one, please rank them in order of preference)

- | | |
|---|---|
| <input type="checkbox"/> Arts Commission | <input type="checkbox"/> Greater Wenatchee Regional Events Center PFD Board |
| <input type="checkbox"/> Cemetery Advisory Board | <input type="checkbox"/> Historic Preservation Board |
| <input type="checkbox"/> Civil Service Board | <input type="checkbox"/> Lodging Tax Advisory Committee |
| <input type="checkbox"/> Code Enforcement Board | <input type="checkbox"/> Parks and Recreation Advisory Board |
| <input type="checkbox"/> Diversity Advisory Committee | <input checked="" type="checkbox"/> Planning Commission |
| | <input type="checkbox"/> Tourism Promotion Area Board |

APPLICANT INFORMATION

Last Name: Albert First Name: Susan Initial: C

Mailing Address: 1515 Erin PL City: Wenatchee Zip: 98801

Residency Requirement: Applicants must reside within the City Limits of Wenatchee except the Arts Commission, Diversity Advisory Committee, Historic Preservation Board, and the Parks & Recreation Advisory Board

Day Phone: 509-679-4661 Evening Phone: same

E-mail: salbert345@aol.com Years lived in Wenatchee Valley: 20yrs

Occupation: Educator Years of Experience: 42

Work Address: retired City: _____ Zip: _____

Education and Formal Training: 10+ years of High Ed.

Have you ever been convicted of a felony or released from prison? Yes No

(A conviction record will not necessarily bar you from serving. Factors such as the nature and gravity of the crime, the length of time that has passed since the conviction and/or completion of any sentence, and the nature of the position for which you have applied will be considered.)

Volunteer/Community Experience: Rotary Board 4yr term

Organization and Duties: VSAW - President + Board member Length of Service: 15yr

Organization and Duties: Alliance for Arts Board Member Length of Service: 5yr

Organization and Duties: Tween Learning Seattle Longshore Navy Length of Service: 10yr

Organization and Duties: Seattle Childrens Center L.R.P Length of Service: 2yr

Organization and Duties: PAC - Planning Board Member Length of Service: 2yr

Skills/Special Interests: Property Management, Group Process Facilitator, Dispute Resolution, Trainer, Long range development Planning for non-profits

Experience related to the Commission/Board:

Property management, property developed in another county. First phase of the remodel of WHS. Award of impact of planning on schools

Why are you seeking this appointment?

I wish to be of service in my community.

Would any conflict of interest be created as a result of your appointment? Yes No

If yes, please explain: _____

REFERENCES

Name: Jesus Hernandez
Address: 504 Surrey Rd City: Wenatchee Zip: 98801
Phone: 603-2365 Email: _____
Occupation: Healthcare manager Years known: 2014

Name: John McDermott
Address: 2115 Sunnyside Cir City: Wenatchee Zip: 98801
Phone: 603-7767 Email: johnm@wenatcheerotary.org
Occupation: Business owner Years known: 15

Name: Marcia Henkle
Address: 1940 Eastmont Ave City: EWenatchee Zip: 98802
Phone: 884-6930 Email: mhenkle@esd.wa.gov
Occupation: Regional Manager Years known: 10

AFFIDAVIT OF APPLICANT

I, Susan Albert, do hereby certify that the information contained in the foregoing application is true and correct to the best of my knowledge and belief. I also understand that this completed application may be made available for public inspection.

Susan Albert
(Signature)
Date: 11/6/15



**City of Wenatchee
Volunteer Board, Commission and Committee Responsibilities**

To be selected and serve as a City of Wenatchee volunteer Board, Commission or Committee Member is a high honor and provides an unusual opportunity for genuine public service. Although the specific duties of each of the City's Boards vary widely with the purpose for which they are formed, there are certain responsibilities that are common to all members. As a volunteer Board, Commission or Committee representative of the City of Wenatchee, I agree to:

1. Understand my role and scope of responsibility. I will be informed of the individual group's scope of responsibility and operating procedures.
2. Represent the majority views of the group. Individual "opinions" to the public and press are discouraged, and, if given, must be identified as such.
3. Practice open and accountable government. I will be as open as possible about my decisions and actions, and also protect confidential information.
4. Represent the public interest and not special interest groups.
5. Not make decisions in order to gain financial or other benefits for myself, my family, or friends.
6. Serve as a liaison between the City and its citizens and can help reconcile contradictory viewpoints and to build a consensus around common goals and objectives. I will serve as a communication link between community, staff, and City, representing City programs and recommending and providing a channel for citizen expression.
7. Understand my role as a supportive relationship with the City Council and City staff and to follow the proper channel of communication through the designated staff person providing support for the group.
8. Do my homework and be thorough in recommendations. I will review agenda items under consideration prior to the meeting in order to be fully prepared to discuss, evaluate, and act on all matters scheduled for consideration. My conclusions will be based on careful preparation to strengthen the value of the group's recommendation.
9. Adhere to the highest standards of integrity and honesty in all endeavors and strive to safeguard the public trust. I shall announce any direct or remote conflict of interests prior to the discussion (RCW 42.36).
10. Understand that my authority is limited to decisions made by the group, and that in most cases, the decisions are advisory.
11. Understand that in my role I recommend policy while administrators and staff carry out approved policy.
12. Establish a good working relationship with fellow group members. I will respect individual viewpoints and allow other members time to present their views fully before making comments. I will be open and honest and welcome new members.
13. Not use or involve my membership in the conduct of political activities. However, I am not restricted from participating in political activities outside of my involvement in the group.

I hereby pledge to be positive in my role as a volunteer with the City and accept responsibility for my participation.

Signed: Suman Arora Date: 11/2/15

TO: Frank Kuntz, Mayor
City Council

FROM: Steve King, Economic Development Director

SUBJECT: Wenatchee Federal Building Architectural Services – Contract Extension

DATE: January 4, 2019

MEETING DATE: January 10, 2019

I. OVERVIEW

The City hired ARC Architects in 2017 to review the federal building systems and develop a schematic design in anticipation of purchase of the building for a new city hall. The original contract with ARC had a completion date of July 1, 2018. The completion date was extended to January 1, 2019 in August of 2018. Staff is reviewing the final schematic design report. In order to complete this report an additional 2 month extension is requested.

Staff is requesting an extension to the contract to March 1, 2019. The next council action will be to authorize Phase 2 which will be preparation of design documents. Staff will bring to the city council for approval a new scope of work based on the finalized schematic design.

II. ACTION REQUESTED

Staff recommends the City Council authorize the Mayor to sign amendment #1 to the contract with ARC Architects extending the completion date to March 1, 2019.

III. FISCAL IMPACT Submitted to the Finance Committee Yes No

This amendment does not change to contract amount.

IV. PROPOSED PROJECT SCHEDULE

Design is expected in 2019 with construction to follow in 2020.

V. REFERENCE(S) N/A: Amendment

VI. ADMINISTRATIVE ROUTING

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

RESOLUTION NO. 2019-01

A RESOLUTION, appointing _____ as Mayor Pro Tempore for 2019.

WHEREAS, WCC 1.06.020 requires the City Council at its first regularly scheduled meeting in January of each year, by majority vote, to select among their members a councilmember to act as Mayor Pro Tempore for the ensuing year; and

WHEREAS, the Council has selected Councilmember _____.

NOW, THEREFORE, the City Council of the City of Wenatchee do hereby resolve as follows:

SECTION I

That Councilmember _____ shall be and hereby is designated as Mayor Pro Tempore for 2019 to serve in the absence or temporary disability of the Mayor.

SECTION II

The appointment of Councilmember _____ shall not in any way abridge his/her right to vote upon all questions coming before the Council. Councilmember _____ while acting as Mayor Pro Tempore will not have the power to appoint or remove any officer or to veto any ordinance.

SECTION III

This Resolution shall take effect immediately.

**PASSED BY THE CITY COUNCIL OF THE CITY OF
WENATCHEE** at a regular meeting thereof this 10th day of January, 2019.

CITY OF WENATCHEE, a Municipal Corporation

By: _____
FRANK KUNTZ, Mayor

ATTEST:

By: _____
TAMMY STANGER, City Clerk

APPROVED:

By: _____
STEVE D. SMITH, City Attorney