

September 19, 2016

The Chehalis city council held a special work session on Monday, September 19, 2016, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, and Daryl Lund. Councilors Ketchum and Taylor were absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; and Don Schmitt, Street/Stormwater Superintendent.

1. **Discuss Funding Options for Transportation Benefit District.** City Manager MacReynold reported the council created the Transportation Benefit District (TBD) in 2014, but choose not to fund it at that time. He noted with continuing loss of revenue sources for transportation it's become increasingly important for us to look at what we can do locally, so he and the administration worked with the council budget committee to come up with a proposed strategy for funding the TBD.

Mr. Schmitt reported the two predominant funding options include:

- A \$20 vehicle license fee, which does not require voter approval and affects only those living within the city
- A sales tax increase of .2%, subject to voter approval that would be good for 10 years

Mr. Schmitt reported they're considering a .2 percent sale tax levy to fund the TBD, which on a \$5 taxable purchase would result in an additional one cent. He noted the tax would apply to anyone shopping within the city limits and would bring in an estimated \$850,000 annually. Mr. Schmitt stated the revenue could only be used for transportation related repairs and improvements to city streets, as approved by the council.

Mayor Dawes reported one thing he learned at their last meeting with Lewis County Fire District #6 is that the first EMS levy required 60 percent voter approval and subsequent renewals only required a supermajority of 50 percent. He asked if the TBD levy would require a supermajority because it's the first time.

Finance Manager Judy Pectol reported, according to Municipal Research, it does not. She noted she would call the county the following day to confirm.

Mr. Schmitt reported on the number of miles and types of streets within the city, noting we have approximately 23 miles of asphalt, nine miles of concrete, and 22 miles of chip seal (center-line miles, not lane miles).

Mr. Schmitt reported the proposed approach, if approved, would be to:

- Set aside \$75,000 - \$100,000 annually for in-house street repairs (pre-leveling, dig outs)
- Contract out overlays, grind and overlays - \$500,000 annually
- Set aside \$200,000 annually for major projects

Mr. Schmitt reported, if approved, the next steps would be to:

- Schedule an additional work session, or
- Set date and time for a public hearing and draft a resolution for council to consider at the October 10 council meeting
- Council conduct public hearing on October 10 and consider resolution providing for a ballot proposition for the February 14, 2017 ballot

The council agreed that a second work session would not be necessary. They also favored the .2 percent sales tax levy over the \$20 vehicle license tab fee.

The consensus of the council was to set a date and time for a public hearing and have the administration draft a resolution for the October 10 council meeting for their consideration.

Councilor Spahr asked how they plan to let the people know what the money will be used for.

September 19, 2016

City Manager MacReynold reported they will do a press release and suggested setting up a briefing with the local press for the administration and council budget committee to walk them through it. He noted the press has always been very receptive to this process.

There being no further business to come before the council the meeting adjourned at 5:30 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the special city council meeting of September 19, 2016.