

August 11, 2014

The Chehalis city council met in regular session on Monday, August 11, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:15 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, and Chad Taylor. Councilors Pope and Ketchum were absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Patrick Wiltzius, Acting Public Works Director/Wastewater Superintendent; and Don Schmitt, Street Superintendent. Members of the media included Dameon Pesanti from *The Chronicle*.

1. Work Session – Discuss Funding Options for Street and Road Maintenance and Repairs. City Manager MacReynold reported, at a prior meeting, the council discussed three possible options for funding local streets and roads, to include: utilizing a certain percentage of sales tax revenue; creating a Transportation Benefit District (TBD); and funding the TBD with a vehicle license tab fee of \$20. At the end of the discussion it was suggested they have a work session to talk about the three proposals in more detail.

City Manager MacReynold stated he continued to believe the city needs to do something locally to take care of our streets because we're just not seeing state and federal grants anymore. He suggested they take each proposal separately and get consensus on whether the council would like to move forward or not.

- Option 1 – An Ordinance dedicating four (4) percent of the city's sales tax for street and road maintenance and improvements.

Councilor Harris asked how the funding would be handled in the budget review process. City Manager MacReynold reported they would create a separate dedicated budget item and show a transfer from the general fund to the dedicated fund.

Street Superintendent Don Schmitt reported the dedicated funds would be used for different programs, such as chip sealing, asphalt repairs, and traffic control (striping materials). He noted the cost of materials have increased significantly over the last 10 years, from roughly \$3,800 per lane mile to \$10,000.

Councilor Spahr asked if they could use the four percent sales tax to fund the TBD. City Manager MacReynold stated no, adding they could only fund the TBD through a vehicle license fee, or with an increase to the sales tax. He noted the administration was not recommending a sales tax increase.

Councilor Taylor asked if the money would be in addition to what they already put in the budget for the chip seal program. City Manager MacReynold stated yes, and they would identify what the money would be used for through the budget process.

Mayor Dawes noted Councilor Lund suggested appropriating more money to the street department at a previous meeting and they were basically told that even if they did receive more money they really couldn't do more work this year because their plans were already in place. He asked if staff would be able to do more projects if they had an additional \$100,000 to \$250,000.

Mr. Schmitt reported their main labor-intense projects are chip sealing and crack sealing, which is done with the help of their seasonal employees. He stated they will make the time to do the work, but they have to plan accordingly.

City Manager MacReynold stated the proposed four percent would be used to do additional chip sealing and other maintenance; and the proposed TBD funding would be used to fund projects on the Six-year Transportation Improvement Plan (TIP). He suggested if the council were willing to do a \$20 vehicle license fee, they would put that money into a fund and let it build up to be used as a match for potential grant funding.

Councilor Taylor asked if additional full-time employees would be needed to utilize the money. City Manager MacReynold stated they were not talking about hiring any additional staff at this time, although, eventually down the road they'll need to look at hiring additional staff. He reported their focus will be to do more projects and apply for more grant money.

Councilor Lund stated he was a little confused because when staff was offered more money they said they couldn't do more because they didn't have the help to do it.

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City Manager MacReynold reported at the time of that discussion they already had their projects lined up for the year and were on a path of getting more done than what they had planned for. He suggested they were taking Councilor Lund's idea and codifying it, so they can plan for it through the budget process.

Councilor Harris reported he didn't see anything in the budget for sidewalks and/or light poles and suggested they figure out how to include those in the four percent funding. Mr. Schmitt stated he believed some of the projects listed on the TIP do incorporate replacement of street lights.

City Manager MacReynold reminded the council that sidewalks are the property owner's responsibility. He noted some jurisdictions have been able to get property owner's to become part of a ULID and they jointly fund fixing the sidewalks.

City Attorney Hillier stated even though the property owners are responsible to keep the sidewalks maintained the city is still liable for them.

Councilor Spahr inquired about the gas tax revenues. Mr. Schmitt reported over the last four years the gas tax has been relatively consistent at \$150,000 to \$155,000, with a large portion going towards salaries. He noted, in 2003, they collected roughly \$47,000 and stayed at that amount until 2006 when it jumped to \$100,000, and in 2007 they peaked at \$170,000.

Mayor Dawes asked if the four percent would have a negative impact on other functions, or other departments. City Manager MacReynold stated he didn't believe so, adding they project a six to seven percent increase in sale tax revenue and they're only asking for four percent.

The consensus of the council was to dedicate four percent of the city's sales and use tax revenue for street and road maintenance and improvements.

- Option 2 – Create a Transportation Benefit District (TBD) within the corporate limits of the city of Chehalis; and establish an annual vehicle license fee in the amount of \$20.00.

Mayor Dawes asked what the maximum fee is that they can charge, if the TBD were created. City Manager MacReynold reported the council has authority, or it can be put to the voters, to charge a vehicle license fee of up to \$20. He noted if the council wants to charge more than \$20 it would have to go to the voters.

City Attorney Hillier stated if the council decides to increase sales tax that would need to go to the voters as well.

City Manager MacReynold referred the council to the information provided in the agenda packet listing other jurisdictions that have created a TBD and took action to charge a fee. The information provided also included a list of jurisdictions that put a sales tax increase before the voters.

Councilor Taylor inquired about the special gas tax. City Manager MacReynold stated the city cannot establish a special gas tax. City Attorney Hillier noted the laws have changed since 1992 and no longer allow for a special gas tax.

Councilor Spahr asked what it would cost to put it on the ballot. City Manager MacReynold stated it would be about \$8,000 for a special election, or less if they did it in conjunction with a general election.

City Attorney Hillier stated it was important to understand that the TBD needs to be in place first since they are the only entity that can request a ballot issue for the vehicle license fee. He indicated there would be no force or effect until the council chooses to fund it, or the TBD chooses to put it on the ballot for a vote.

City Manager MacReynold indicated they were proposing the board to the TBD be the city council.

Mayor Dawes stated anytime you increase fees people are going to be negative to it immediately. He suggested if they can show a benefit in the first couple of years it would probably be more receptive. Mayor Dawes asked how long it would be before the people would see a return on their investment.

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City Attorney Hillier stated it would be a minimum of six months before the city would even start to receive any revenues. He noted, because of the size of the projects on the TIP, they were probably looking at a couple of years before it would build up enough to have an impact on grant writing capabilities.

Mr. Schmitt suggested getting grants would be key to doing some of the projects on the TIP.

City Manager MacReynold reported the four percent will have an immediate impact on getting more done and will hopefully give the administration enough time to build up a fund that will allow us to be more competitive in getting grant money, and to show a revenue stream.

Councilor Taylor asked if they could use the revenue created by the TBD for bonding capacity. City Attorney Hillier stated yes, adding that would be a quicker way to get a realization of the benefit. He noted if they have a revenue source, they can set up a loan and have a place to draw the payments from.

City Manager MacReynold suggested the council could choose to implement a lower fee, but it will take much longer to get the amount they need, and to show it as a real revenue source.

Mayor Dawes believed the state would have never allowed municipalities any kind of taxing authority if they thought they were going to be able to take care of everything from their level. He stated, at the very least, he would like to see the TBD put on the table for consideration, so they can at least have it in place for the future. Mayor Dawes suggested if they take action to move it forward he wants to make sure within a reasonable amount of time that they have something to show for their efforts. Otherwise, they should revisit the issue to see if it's really worth their while.

Councilor Taylor stated he would be in favor of creating a TBD, but would want the fee put to the voters.

Councilor Lund stated he would be in favor of setting up the TBD, as was Councilors Spahr and Harris.

The consensus of the council was to move forward on having the administration prepare the necessary documents to set up the TBD.

Mayor Dawes stated he would like to have all seven council members present when it comes time to vote on the funding options.

2. **Update on Chehalis Avenue Project.** Mr. Schmitt reported the contractor on the Chehalis Avenue project will be putting asphalt down on Tuesday and Wednesday, and should have the striping done on Friday. He noted they still have a few punch list items to take care of, including the new benches.

Councilor Spahr asked if it was still designed for two-way traffic. Mr. Schmitt stated yes, adding once they get the paving and gutter lines in place it will look wider.

Councilor Taylor noted he talked with a couple of contractors who were comparing our fees to other jurisdictions and they all said it was time for the city to start looking at charging more realistic fees to actually cover the cost of doing business. He noted they laugh at our permit fees because they're so cheap and suggested it might be time to look at the fee schedule. City Manager MacReynold stated they're just getting ready to enter the budget process, which is a perfect time to talk about it.

Mayor Dawes closed the work session at 4:59 p.m. and announced the council would take a three minute recess and reopen the regular meeting at 5:02 p.m.

3. **Advocacy Services Provided by Lewis & Mason County Crime Victim Service Center.** Steven Briggs, Lead Crime Victim Advocate for the Lewis & Mason County Crime Victim Service Center provided an overview on how the program is funded and the various crimes that they address. He noted they do not respond to sexual assault and domestic violence crimes as those services are funded through different federal and state allocations. Other programs offered by the Center include: Information and referral; legal advocacy; community outreach and education; crime victim compensation; and victim information and rights.

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Mr. Briggs reported their goals are to protect the rights of victims, increase community awareness of the Center's services, strive for excellence in service delivery, be an ally to other community organizations that serve crime victims, and be a resource for law enforcement and prosecutors and others involved in the criminal justice system.

Mr. Briggs reported, in 2013, they served over 1,200 individuals (890 from Lewis County, primarily from Centralia and Chehalis). He indicated there is no cost to anyone for their services and there are no income qualifications of any kind.

4. Update on Twin Transit. General Manager Rob LaFontaine provided a general update and talked briefly about their six-year financial forecast and 2014 operating budget. He noted they are sales tax funded at .2 percent, which is the lowest rate in the State of Washington for any transit authority. Mr. LaFontaine reported their financial forecast was looking encouraging and they plan to continue to be very conservative. He stated he was forecasting a 2.5 percent increase each year through 2020.

Councilor Harris inquired about their vehicle replacement program. Mr. LaFontaine reported vehicle replacement is done through the capital side of the budget.

Mr. LaFontaine reported the Board recently voted to reduce bus service levels that will take effect in the coming weeks. He noted the reduction of services will balance their budget and will allow them to forecast out for the next three years showing revenue over expenditures. Mr. LaFontaine proposed the following as part of their 2014-2019 Plan:

- Implement recently adopted service reductions (no plan to restore over the next six years)
- Enhance the application process for ADA paratransit service
- No substantial increase to revenues
- Substantial capital improvements in transit related infrastructure

Some of the challenges facing Twin Transit include:

- Insufficient revenue to meet best practices in the transit industry
- Dramatic rise in demand for ADA paratransit (30 to 40 percent increase in ridership)
- Hard-to-access destinations
- People not knowing how or where to catch the bus
- Negotiating the Kresky Avenue/Gold Street couplet
- Political apathy

Councilor Lund asked why they couldn't raise rates to ride the bus. Mr. LaFontaine reported the Board has decision authority on the fare structure. He suggested if they were offering a more useful service it would be worth more, but the cost/benefit just isn't there yet.

Other facts about Twin Transit:

- Ridership is the highest it's been in several years (+24,000 boardings in May 2014)
- Bus fare pays about 6 percent of the operating cost of public transit
- Twin Transit is not reimbursed from the Health Care Authority or DSHS for the cost of providing Medicaid transportation (ADA paratransit)

Councilor Lund asked if people can still flag a bus down, or pull the rope to get off the bus at a certain location. Mr. LaFontaine stated yes, adding they primarily operate as a flag-style transit service.

Mayor Dawes stated it was his understanding that every time someone boards the bus they get counted, which means someone could be counted more than once depending on their destination or how many trips they make per day. Mr. LaFontaine stated that was correct.

Mayor Dawes inquired about the capital fund item for the 'centrally located transit and park n' ride.' He agreed that having a centrally located transit station would be good, but didn't quite understand the park n' ride aspect.

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Councilor Taylor asked Mr. LaFontaine if they had come up with a project to make access at The Vintage at Chehalis safer. Mr. LaFontaine reported they have some utility concerns regarding a fiber optic line and have an engineering firm surveying the area. Mr. LaFontaine reported any solution they come up with will be expensive.

5. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of July 28, 2014;
- b. Claim Vouchers No. 109916-110063 in the amount of \$441,215.53 dated July 31, 2014; Payroll Vouchers 37488-37559, Direct Deposit Payroll Vouchers No. 5174-5258 and Electronic Federal Tax Payment No. 138 in the amount of \$710,408.72 dated July 31, 2014; and
- c. Affirm Mayor's appointment of Craig Steepy to the Chehalis Planning Commission for a four-year term expiring August 31, 2018.

The motion was seconded by Councilor Lund and carried unanimously.

6. **Administration Reports.**

a. **Update on the Gail and Carolyn Shaw Aquatics Center Project.** Connie Bode gave a brief update on the Gail and Carolyn Shaw Aquatics Center, noting there's still some electrical work that needs to be done and they're still waiting on some parts to fix the heater. She stated if they can get those two items taken care of they will be good to open on Friday, August 15. Ms. Bode reported the lifeguard staff has been training and is taking the expansion and new play center area very serious.

Ms. Bode reported, with the activity areas for younger children, the pool will have some lifejackets available for use. They also plan to allow people to bring their own life jackets, but they'll need to have them checked at the door by the lifeguard staff to make sure they meet the standards required.

Ms. Bode stated they want to make sure the public understands that the project was funded with grant money, state capital money and private donor money. She noted they've receive a lot of positive comments about the pool.

Councilor Spahr noted it's sad to see writing on the walls at Penny Playground and wished they could put a sign up stating it was a gift to the city and ask that people respect it and take care of it.

b. **2015 Budget Preparation Schedule.** City Manager MacReynold reported the council received a copy of the 2015 budget preparation schedule and asked the members of the budget review committee to let him know if they have any conflicts with the week of September 29 – October 3.

7. **Council Reports.**

a. **Update from Councilor Lund.** Councilor Lund stated the city has a great library and now a great pool. He felt it was time the city had a great parks department as well, and requested the council's support to look into fixing up our parks to enhance what we already have for ball tournaments.

Councilor Lund suggested they borrow money to fix up the parks and let the hotel/motel tax money make the payments on the loan. He asked if staff could put a funding request together for engineering, so they have an idea of what needs to be done and what it will cost to fix up Stan Hedwall and Recreation Park, and submit it to the Lodging Tax Advisory Committee (LTAC) for their consideration.

City Manager MacReynold stated the administration would put a proposal together and submit it to the LTAC. He noted once they know what the cost will be and what the projects will look like, the council can consider a long-term funding strategy and utilize lodging tax money to pay for it.

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Councilor Harris reported the LTAC has been very supportive of the city's request to do things like this, and thanked Councilor Lund for bringing it up. He stated now that the city possesses Stan Hedwall Park they can take the time to figure out the best way to utilize it. Councilor Spahr agreed that they need to take a look at it.

b. **Update From Councilor Harris.** Councilor Harris reported he attended the Chehalis Community Renaissance Team meeting on Friday, August 8. He noted one of the issues brought up regarding the new pool is finding lifeguard staff this late in the season. Councilor Harris thought it was great that Recreation/Aquatics Manager Lilly Wall and Recreation Assistant Tracey Cox both got certified, so they'll be able to help out if needed. He suggested they would have no problem staffing the pool next year.

Councilor Harris reported, on behalf of the Christmas Decoration Committee, he attended a meeting of the Chehalis Foundation to ask for some additional funding for 2014, which they graciously approved (\$17,000). He noted the Committee's primary focus will be 13th Street across from the new Aquatics Center, as well as the other entrances to the city.

c. **Update From Mayor Dawes.** Mayor Dawes reported he took an adventurous trip to New York City and upstate New York, adding he saw some interesting sights he wished he hadn't. He stated he was really excited to get back to see the progress on the pool.

There being no further business to come before the council, the meeting adjourned 5:57 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of August 11, 2014.