

**CITY OF KALAMA
CITY COUNCIL
NOVEMBER 7, 201**

STREET IMPROVEMENT FUNDING WORKSHOP

Mayor Pete Poulsen opened the workshop of the Kalama City Council at 6:05 pm. Councilmembers present were Dominic Ciancibelli, Mike Langham, Don Purvis and Mary Putka. City staff present were City Administrator Adam Smee, Assistant Director of Public Works Kelly Rasmussen, Clerk/Treasurer Coni McMaster, and Police Chief Randy Gibson. Members in the audience are listed on the sign in sheet.

City Administrator Adam Smee noted the purpose of the workshop is to look at options for funding street improvements. A Transportation Benefit District (TBD) is one option that is available to the City. Once established it can be funded in several ways. One is to enact a car tab fee of up to \$20 by Council action or up to \$100 if put to a vote of the citizens. A .02% sales tax could also be adopted if approved by vote. Administrator Smee would like to see the City form a district which is a separate taxing district of the state. The district can be formed prior to the funding options established. Other neighboring cities have established districts or discussed establishing them as well as looked at the funding options. In yesterday's election Castle Rock voters approved a .02% sales tax while Longview's voters rejected an advisory vote on the car tab option. It has been discussed that the City would want to get input from the citizens as to what funding they would like to see prior to just enacting something, so a town hall meeting should be held.

The current funding for street improvements comes only from gas taxes with only \$17,000 going to the reserves. In the past the funds have been used as matching monies for grants that are available for the main roads in the community. The City needs to gather funds for the side streets that are not eligible for grant funding as they are in great need of attention. The gas taxes are not sufficient to provide the needed revenues. The City will present visual aids and an improvement plan to the public to show how these new revenues would be spent. Assistant Director of Public Works Kelly Rasmussen explained there is a rating system used by Department of Transportation that could provide information on how to rank the condition of the streets for working out a schedule for improvements. Safety issues would also be included in the evaluation process.

There was some discussion on the two options, car tab fee versus .02% sales tax. Councilmember Don Purvis noted that the sales tax would be assessed on all people that purchase goods or services in Kalama, while the car tabs only tax the citizens. Administrator Smee noted that he is reviewing the requirements, but he thought there was something in the laws that required the sales tax to be project specific. However it did not appear that Castle Rock's TBD which was approved was written that way. He will be doing further research. He did note that the car tab fee is the one option that the Council can enact without going to the voters. One other issue to be considered is that the County can establish a TBD as well as the cities. If the County were to enact a district prior to the City having one in place and were to fund it using the car tab fee, the revenues would be shared with the City. If the City is first and has established the fee, the City gets to keep the full amount. With all the other cities looking at this option for street funding, the County is probably not far behind. The Council can form the district without it being funded and work on the funding after the first of the year. The goal would be for the City to be more proactive in maintaining the secondary or neighborhood streets. The Council agreed to hold a public hearing on the formation of a Transportation Benefit District on December 5, 2012. A town hall meeting would be planned for January to discuss the funding options with the public in detail.

Administrator Smee explained he felt the City should also look at implementing a utility tax on garbage with the proceeds going towards street funding as well. Other cities are charging utility taxes on garbage up to as much as 18% and he is recommending the same rate of 6% the city currently charges on all other utilities. This would help to build funds for street improvements and maintenance in addition to the TBD. This could be included in the discussion at the town hall meeting.

Mayor Poulsen adjourned the meeting at 6:55 pm. These minutes are not verbatim. A copy of the tape can be made available for listening.

Pete Poulsen - Mayor

Coni McMaster - Clerk/Treasurer

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