

**CITY OF KALAMA
CITY COUNCIL
FEBRUARY 13, 2013**

CITY COUNCIL TOWN HALL – HOW DO WE FUND STREET REPAIRS

Mayor Pete Poulsen opened the town hall meeting at 6:10 pm at the Kalama Community Building. Councilmembers present were Mike Truesdell, Dominic Ciancibelli, Don Purvis and Mary Putka. City staff present were City Administrator Adam Smee, Superintendent of Public Works Kelly Rasmussen, and /Treasurer Coni McMaster. Members in the audience are listed on the sign in sheet.

Mayor Poulsen opened with an overview explaining that the City has made improvements to many of the arterial or main streets of Kalama with the help of federal and state funding. It is many of the surface or neighborhood streets that are in great need of maintenance and repairs. These streets are not eligible for state or federal funding or the funding is very difficult to get. Mayor Poulsen explained that if the citizens look at the city as co-op and come together to find a way of funding the street needs, the City will be able to make progress on improvements. There are two options under the Transportation Benefit District (TBD) of a \$20 car tab fee or two-tenths of a percent sales tax. Kalama's sales tax is currently the lowest in the County, but this option requires a vote of the public. The tab fee can be implemented sooner by Council action. The funds will only be used for city streets and nothing else. There was a question from the public regarding the figures in the budget which show over \$200,000. Clerk/Treasurer Coni McMaster explained that this includes funds from grants for the 4th Street project and the Elm Street project.

The slide presentation began with Superintendent of Public Works Kelly Rasmussen explaining the state and federal funding options. Transportation Improvement Board (TIB) funds are available from the State (only under TIB classification) and include two programs which reimburse 95% of the project costs. One program, the Arterial Program, covers just arterial streets and is distributed with amounts designated by County and distributed to the entities within that County. The other program, Pavement Preservation, does both arterial streets and local collector streets, but the applications are submitted at the state level. So we are competing for these very limited surface dollars (\$1 million statewide) with 164 other cities. The federal Surface Transportation Program will only fund WSDOT classified major arterials only, of which there are about 12 in Kalama. These funds are distributed to the County and divided a month all the entities and are at only 85% reimbursement. The City has to be able to provide matching funds in order to accept the funding, which has become increasingly hard to do.

Kelly, with the help of TIB representative Clint Ritter, explained how the streets are rated by TIB for a Pavement Condition Report (PCR) that is completed every four years. Kalama is due to have their report updated in 2013. The City's is current PRC average is at 75.5 for all streets.. Only TIB classified arterial streets can receive funding under a PCR score of 45. Arterial and local collector streets that have a PCR score between 45-65 qualify for pavement preservation funding thru TIB. Those streets that rate above 65 are considered in good shape. Using 300 feet, at approximate equivalent of a city block, Kelly provided information on the costs for the options for street upgrades, based upon the condition which could require from chip seal to an overlay, to full replacement. The funds that would be raised under the TBD would be utilized outright or as matching funds for street upgrades. The City would use the PCR as a

guide to aid in deciding which streets as well as what might qualify for funding. The presentation included photos of many city streets as examples. Both Kelly and Clint Ritter emphasized that the need for preservation work such as chip sealing and overlays is critical to street maintenance.

City Administrator Adam Smee presented the funding options. Currently the City allocates \$17,000 of the gas taxes to City street reserves. Gas taxes are provided by the State to cities based on population. It is proposed to adopt a six percent utility tax on the garbage services which would also be solely used for street maintenance. This is the same rate that is already charged for all other utility services. The cost per household would be less than \$2-\$3 per billing cycle based upon container size. Under the TBD, which the City has already established, the City can adopt the sales tax by putting it to a vote or by Council action set the \$20 tab fee. The costs of an election can be as much as \$60,000 if held during a special election, so to keep costs manageable it would have to be presented at the next general election in November. This would mean the City would not receive any funding until mid-2014 so no projects would begin before 2015. The car tab fee could be adopted by the Council as soon as next month, with fees beginning in October of 2013 so projects could possibly begin in mid-2014. There are some exemptions to the tab fees which were reviewed as well. It was noted that the County has the ability to also establish a TBD and enact either of these funding sources. With the vehicle tabs, if the City establishes it first, all the funds will be kept in Kalama for our streets, while if the County enacts, the City would have to negotiate to get a portion of fees from the County. Either fee would be dedicated to street maintenance needs.

Jim Bain commented that he would support either option, but after hearing the facts, he thinks the City should do the car tab fee as soon as possible.

Dena Ott, owner of Double D's Feed, agreed that since these are neighborhood streets the car tab seems like the option to use. Also the garbage tax seems reasonable.

There were other public comments that were supportive of the car tab fee being adopted as the funding source. There were questions regarding whether the City has cut the budget to help find funds, and just what are the projected cost of the overall street repairs. Mayor Poulsen explained that the City has cut back to live within the revenues it receives. This is why they have to consider finding other revenue sources. The City will continue to seek out all grants and other funding options to supplement the city funds. The City's Capital Facilities Plan includes approximately \$3,000,000 in proposed street improvements, and not all the streets in need are included. There were some comments that the proposed fees aren't enough, but it was explained that these are the options available that the City can implement under State laws. When asked how the City would determine which streets get worked on, it was explained that it would be on condition, costs and possible grant funding.

Mayor Poulsen stated that he had hoped for a larger turnout, but he hoped that those present would talk to their neighbors about the issues. There will be a public hearing, so the public can also attend that. He and the Council want to hear from the citizens before they implement any kind of new tax or fee so this is something that is accomplished together. The citizens are the City and this is to benefit them. In a poll of those citizens present excluding all Council members, the majority supported the implementing of the car tab fee. He thanked the citizens present for coming.

Mayor Poulsen adjourned the meeting at 7:40 pm. These minutes are not verbatim. A copy of the slide presentation is attached. Due to a recorder malfunction, a tape is unavailable for this meeting.

Pete Poulsen - Mayor

Coni McMaster - Clerk/Treasurer