

NORTH BEND CITY COUNCIL MINUTES

April 21, 2020

Virtual Meeting

City Hall, 920 SE Cedar Falls Way, North Bend, Washington

CALL TO ORDER, ROLL CALL:

Mayor McFarland called the regular meeting to order at 7:01 p.m.

Councilmembers Present: Elwood, Garcia, Gothelf, Koellen, Loudenback, Miller & Rosen.

CONSENT AGENDA:

Minutes – Council Workstudy of February 25, 2020 & Council Meeting of March 17, 2020

Payroll – March 20, 2020 – 28088 through 28096, in the amount of **\$206,746.67**

April 3, 2020 – 28097 through 28106, in the amount of **\$262,629.70**

Checks – April 7, 2020 – 69033 through 69110, in the amount of **\$620,562.10**

April 21, 2020 – 69111 through 69166, in the amount of **\$1,050,911.94**

AB20-042 – Motion Ratifying Purchase of WWTP Pumps

AB20-043 – Motion Authorizing On-Call Contract with Keithly Electric

AB20-044 – Motion Authorizing Work Order with Axis for Ribary Creek Study

AB20-045 – Motion Authorizing Work Order with Golder RE Water Plan

AB20-046 – Resolution 1929 Accepting Orchard Place Apartments Infrastructure Improvements

AB20-047 – Motion Authorizing Contract with MacDonald Miller for HVAC Services

AB20-048 – Motion Authorizing 4th Amendment to Janitorial Services Contract

AB20-049 – Motion Ratifying 1st Amendment to Shaw AV Services Contract

AB20-050 – Motion Ratifying 6th Amendment to AirNote IT Services Contract

AB20-051 – Ordinance 1719 Amending 2019-2020 Budget Ordinance 1679

Councilmember Rosen **MOVED**, seconded by Councilmember Miller to approve the consent agenda as presented. The motion **PASSED** 7-0.

CITIZEN'S COMMENTS:

Michael Thomas, 1231 LaForest Drive SE, commented on AB20-045 – Motion Authorizing Work Order with Golder RE Water Plan and expressed concern about expenses the City was incurring related to water rights and planning. He noted this could result in making water unaffordable to City residents and questioned whether some of the water related expenses were capital costs that could be covered by general facilities charges.

Jean Buckner, 46226 SE 139th Place, encouraged Council to take a fresh look at the City's water issue. She addressed the following concerns she had related to water and the City's

Water Plan: lack of water mitigation during dry years, lack of variety of mitigation sources, Hobo Springs reliability as a mitigation source, and potential liabilities to the City.

Sean Maloy, 949 SE Symmons Place, asked how he could get reliable information related to building in the City and whether or not there was a current moratorium.

Mayor McFarland requested Public Works Director Rigos contact Mr. Maloy tomorrow to respond to his questions.

ANNOUNCEMENTS, PRESENTATIONS, APPOINTMENTS:

AB20-052 – Appointment to Parks Commission **Audio: 14:30**

Mayor McFarland recommended the appointment of Tim Talevich to Position No.4 on the Parks Commission.

Councilmember Loudenback **MOVED**, seconded by Councilmember Garcia to approve AB20-052, confirming the appointment of Tim Talevich to Position No. 4 on the Parks Commission, term expiring December 31, 2021. The motion **PASSED** 7-0.

State of the City Address – Mayor McFarland **Audio: 20:34**

Mayor McFarland delivered the following State of the City of North Bend 2020 Address:

“Councilmembers, Citizens, Property Owners, and Staff, thank you for this opportunity to share with you the North Bend State of the City in 2020. My comments to you today, April 21, 2020, are, by practice a look back at the prior year accomplishments, in this case 2019, and also a forward look at our 2020 goals for ensuring the citizens of North Bend continue to enjoy a highly livable small town that’s easy to reach and hard to leave. This is accomplished by all of us working together toward common goals.

When I began putting this report together almost two months ago our world and our local community looked much different. I’ll address that change as we go as 2020 has already brought some great challenges for us to face as a City, a community and as American citizens. Coming into the year as North Bend’s new mayor, we experienced a severe snowstorm in January, flooding in February and then the notification about a potential Coronavirus quarantine site near North Bend which created huge concerns for our citizens. This all before the true COVID-19 impacts became “the thing.” Not quite the start I envisioned.

As King County began to see the first few positive cases of COVID-19 that have since grown exponentially, the City has had to respond to the frequently updated guidance and directives from health organizations, the federal government and the Governor’s office.

- On March 11th I signed a proclamation declaring a state of emergency in order to allow us to take measures to protect the public health, safety and welfare of North Bend's residents that may go beyond the typical tools available to the city or the capability of local resources.
- On March 17th I issued Executive Order 20-01 which suspended or directed remote means (virtual) for most city meetings, closed city hall to the public, implemented a work from home policy for most staff, and opened the Emergency Operations Center to formally monitor and respond to developments.
- On March 23rd I issued Executive Order 20-02 closing active recreational areas in all parks and open spaces within the city limits of North Bend.
- This was followed on March 23rd by Governor Inslee issuing the Stay Home, Stay Healthy initiative effective March 25th which mandated that non-essential businesses temporarily close.

The City continues to provide nearly all services our citizens rely on with special emphasis on those critical functions that are considered essential, including water, sewer, wastewater treatment and necessary street work. While ensuring critical city functions continue, we are also working with community, government and business partners to provide continual updates and resources for businesses and residents. We have a three-person team specifically assigned to provide support as:

- Special city webpages with resources for our residents and businesses which includes an emergency alert option to subscribers that updates them on City responses and COVID-19 resources such as links to CDC, Public Health – Seattle and King County and the WA Department of Health.
- To help support our local businesses during this time of extreme hardship, we worked with our Chamber to create and promote a list of local businesses' status with an emphasis on those who are open and offering. This is an on-going effort.
- And we significantly increased our press release updates to keep the community well informed on the website and our social media channels.

At this time, we remain under the Governor's directive until at least May 4th and unless otherwise notified will continue with the practices implemented over the past month. While doing so, the administration is developing the plan for how we will "unwind" the actions taken; to assess the impacts, socially and economically to our community and city budget; and to develop the policies and budget adjustments that will be needed as a result of the pandemic.

While COVID will appear in some of my comments in overviewing 2019 to date and the year in front of us, my goal is to provide you an overview of all the basic services and functions the city provides our residents and businesses. This report principally covers a

review of water, sewer, and roadway systems; finances, commercial and residential housing and the community events that bind us.

Looking back at 2019, we were faced with a few challenges early on and saw many long-range projects come to fruition.

On the weather front,

- We all recall February of 2019 when we experienced record snowfall in a short period of time and swamping our Public Works crew's ability to keep roads drivable. With both private and public outside help, they performed to the utmost and we got through.
- Fast forward a year and as I started my term in January, we once again experienced atypical snowfall. But this time we were ready, public works crews kept on top of it and the roads remained navigable for those using the proper precautions.
- We rolled right from deep snows to record rainfall in February 2020. Our Public Works crews again were in the field addressing drainage problems throughout the City. Unlike our more typical "pineapple express" surges of river water, this year was the steady, heavy rains which found us dealing with "ground water" above the ground and reported in places not seen before.

Goals identified for 2019 and 2020 provide the guide for addressing our high priority projects and policy direction.

The City's number one priority for this year is finalizing the security of needed water resources for our community. Together with the wastewater treatment plant (WWTP) improvements underway and transportation improvements in place and planned, water is a vital resource not only to our very being but vital to ensure our economic and environmental health is sustained.

Our multi-faceted approach to water security includes:

- Meeting regulatory compliance requirements while working to ensure the most sustainable and cost-effective program we can for our ratepayers.
- Securing both supply and mitigation sources, such as the acquisition of the Cascade Golf Course water right, investigating alternatives such as the study underway for a potential reservoir, and other options.
- I will continue to pursue reaching agreement with the Sallal Water Association which will financially benefit and provide required safety to our citizens, protect the city's financial interests and assist that organization in being a stable and safe water purveyor.

- We intend to accelerate an infrastructure program to reduce water loss by replacement of failed water mains and worn out meters.
- Finalize the City's water plan update with regulators through the public process.
- We will shortly introduce a comprehensive water conservation program ordinance for Council's consideration. This proactive water conservation program will include three programmatic elements being of education/user choice first; secondly mandatory measures, as needed, for responsible use during the dry season and thirdly an incentive program to assist users to convert and/or replace residential or commercial water fixtures (e.g. irrigation, landscape, faucets/toilets) with high efficiency ones.

Each decision will be made by weighing the regulatory requirements, cost control to our ratepayers and responsible use in keeping with our environmental stewardship in mind. Wise use of our water resources is the responsible thing to do for serving our needs and the natural world around us.

We made significant progress in modernizing our antiquated wastewater treatment plant (WWTP) to bring it up to current environmental and service delivery standards. Approximately 60% of the Phase 1 upgrades are now completed adding required redundancy and dependability to our plant. These upgrades include a new UV building, an additional clarifier, and rehabilitation of the existing clarifier. Construction of Phase 1 is slated to be complete this fall and, pending council approval, we will not skip a beat as we bring Phase 2 to finish, bringing our plant up to current expectations and capacity for city needs.

Downtown revitalization continues as one of City's top priorities. This year, council voted and work was completed to improve the alleyway between Volition Brewing and the Snoqualmie Valley Antique store to create a pedestrian-friendly space and stimulate shopping in North Bend's historic downtown. Work included pavers, a functioning drainage system and bollards. Many more improvements in our downtown are on the drawing board.

Nearly as out of date and certainly in worse condition was our old City Hall and in 2019 we accomplished the long overdue task of building our new City Hall facility. We met the contract date to move in during July and while we are still completing a few finishing touches it has been well received by staff and citizens alike. Our new seat of city government has netted improved efficiencies and effectiveness for City employees, residents and all city customers through improved systems, communications, atmosphere and environmental design elements.

We remain fiscally sound.

Taking a look at our financials through 2019 year end and early into 2020 we continued to see positive growth in sales and property tax growth even while experiencing anticipated declining development-related revenues. We expect this particular trend to generally continue into the future and we are evaluating opportunities to address this long-term shift in revenue mix. It's an important reminder that much of our revenue is tied to restricted funds such as utility delivery and therefore not within our General Fund resources. This can make addressing unexpected needs a challenge such as the case in 2019 of absorbing over \$160,000 in unanticipated Snowmageddon expenses.

Despite challenges like this we preserved our General Fund reserve to cushion unexpected financial situations. Our general fiscal health together with our 10% reserve policy also benefits our taxpayers by resulting in our ability to secure low bond interest rates when issuing new debt such as that for the WWTP. This general picture of course is without a full understanding of anticipated revenue declines driven by necessary responses to the COVID-19 pandemic. The jury will be out for some time on the overall impact of that but we can assume significant shortfalls in sales, business and construction tax income for at least several quarters followed, hopefully, by a gradual return to normal as we recovery health wise, socially and economically.

On the business front, North Bend celebrated the opening or relocation of several businesses in 2019 and into the start of 2020.

- Newly opened or relocated businesses in 2019 in our downtown included: Volition Brewing, Huxdotter Coffee, Z Ultimate Self Defense, Wildflower Bistro, Pearl & Stone tasting room, JazzClubs NW, ProSki and Loge (Lodge) Camping (the latter two in the newly refurbished old City Hall).
- In 2020, we celebrated the reopening of Basepoint Fitness and the opening of Clarity Eyewear Boutique, both in our downtown.
- In commercial zoned properties on our east side we saw the opening of both the new Chinook Lumber and Tanner Electric headquarters in September of 2019.
- And we are seeing a general resurgence of commercial business activity including permit applications from Bakes Marine, Albert Lee appliances, Capstone and anticipated applications from Visconti developers which may bring up to two hotels and three new restaurants to the vicinity of our exit 34 interchange.

Along with the new businesses we also celebrated the renovation of a few downtown buildings including the Sunset Garage remodel which was recognized by receiving the Spellman Award for Exemplary Achievement in Historic Preservation.

Parks and Transportation:

We are following the Transportation Impact Plan and other initiatives to improve our

transportation system. Continuing in our success with traffic improving roundabouts we are in the final construction phase of the Park Street/North Bend Way intersection which is already showing benefits of improved traffic flow and reduced congestion. We are working toward a couple other traffic flow improvements including completing the Pickett Ave. connection and improvements to NW 8th St. in anticipation of our stretch goal of the Southfork Ave. bypass project. And we expect a few development-driven and paid-for improvements in the near future.

We remain committed to enhancing our park and trail system resources.

- We received in 2019 an award of a \$300,000 grant from the Washington Department of Natural Resources to complete the design and move into construction of the Tenant Trailhead Park in partnership with the Si View MPD.
- The City replaced deteriorating playground equipment at EJ Roberts Park at the recommendation of our Parks Commission.
- We owe special recognition to Rainer Asphalt and Concrete who donated nearly \$20,000 of material and labor to the City to install a 205 ft. long missing trail segment connecting William H Taylor Park and the Train Depot to Park Street.
- Our Parks Commission recommended, and we adopted, a public donation recognition program which was quickly followed by our local Kiwanis Club purchasing and installing a plaque to honor local hero and North Bend's 2018 Citizen of the Year, Burt Mann. Burt, affectionately dubbed Burt "Walking" Mann, turned 97 years old this year and has been walking every day throughout North Bend for over 28 years greeting people sharing stories about his life including serving in WWII and being wounded on the beaches of Normandy.
- And we are teaming up with American Legion Post 79 and the Veterans of Foreign Wars to purchase a Veterans Memorial that will be installed on City Hall property in honor of our Veterans. The memorial was originally slated to be unveiled during a Memorial Day celebration for veterans, but the pandemic has delayed progress on the stone.

Housing:

A diversity of housing options to meet the needs of all City residents remains a significant challenge especially for our lower income residents. We are making modest progress but it is safe to say it's not enough. From a recent study we know that 85% of our working population heads west every morning to work. We also know that 60% of our jobs are filled with people who drive here from south King County which has added congestion on SR-18, wastes resources including gas "going up in smoke" and increasingly resulting in fatal traffic accidents. We also know that the lack of affordability is creating difficulties for local businesses attracting and keeping workers. While we are a long way from turning this

trend around, we have some positive developments.

- The City applied for a competitive grant from the State of Washington Department of Commerce and was one of only 14 Washington communities selected. The \$50,000 grant will fund work toward municipal code changes to increase affordable housing opportunities in our community.
- Perhaps the biggest news of the year in affordability and senior housing preservation was the recent closing by Mt. Si Senior Center on the senior living Cascade Apartment complex. Securing low-income housing for our local senior population has been in the works for 3 years and is a huge win for our community.
- And our planning staff has been working with Habitat for Humanity on our first new income restricted resident owned project. We are very excited to see Habitat lead the way for public/private partnerships in North Bend.
- On the work plan for the Planning Commission this year is developing a recommendation for a new medium density residential zone to address the “missing middle” of housing options and which is intended to bring smaller homes on smaller lots offering starter homes and downsizing for empty nesters options.
- And City Council is expected to pass in June of 2020 the final phase of an ordinance to capture nearly \$30,000 a year in state sales tax transfer income to fund affordable housing projects. This is a state transfer and therefore no increase to our local sales tax rate.

These efforts and projects together with our success at attracting new commercial businesses to North Bend should help a greater number of residents both live and work in our community.

After years of little to no new housing projects offering multifamily living options, the City has several housing developments in the works. While most units will be market rate, they represent another important option for residents seeking to live in our great town.

- The Phoenix Plaza project at the Park Street roundabout, while currently on hold due to COVID-19, will bring 39 additional rental apartments above multi-use retail spaces on the street frontage. The development agreement included a trail access to Torgurson Park. For those who don't recall, this site made national news when a gas explosion blew up the existing commercial building on the site; thus the Phoenix name.
- In 2019, Orchard Place Apartments also located at the Park Street roundabout started receiving new occupants to the 41-unit townhome project and the last building received its occupancy permit just as the suspension of construction was starting.

- Groundbreaking for the 212-unit Cedar River Apartments is expected this year when the Stay Home construction ban is lifted.
- Permitted in 2019 a 25-unit condominium project on Park Street is anticipated to break ground this year and expected to offer for sale townhomes; yet another housing option not seen in decades in our downtown area.

There is still much to know about what our summer, fall and into next year will look and feel like. We know our social patterns are changed for now and perhaps for a long time to come. We anticipate the disruption to our economy will continue to have severe consequences for our retail and commercial businesses as well as home building and general construction. Yet I am confident in our staff, I am confident in you.

While the challenges we face during the COVID-19 pandemic are great, we know we have the ability to overcome them if we work together for the greater good of our community. We are extremely encouraged by the strong show of support within our community and from our staff. It is the Governor’s intent, and the unwavering position of this City, that public safety and stopping the spread of the virus is the paramount consideration and the top priority of everything we do.

Stay home and stay healthy.”

COMMISSION AND COMMITTEE REPORTS:

Planning Commission

A report of the February 27th meeting was provided.

Parks Commission

A report of the February 26th meeting was provided.

Economic Development Commission

A report of the February 25th meeting was provided.

Community & Economic Development Committee – Councilmember Loudenback, Chair

A report of the April 21, 2020 meeting was provided.

Finance & Administration Committee – Councilmember Gothelf, Chair

A report of the April 7, 2020 meeting was provided.

Eastside Fire & Rescue Board Meeting – Councilmember Gothelf

No report.

Public Health & Safety Committee – Councilmember Garcia, Chair

A report of the April 14, 2020 meeting was provided.

Transportation & Public Works Committee – Councilmember Rosen, Chair
A report of the March 24, 2020 meeting was provided.

Council Workstudy – Mayor Pro Tem Elwood
No report.

INTRODUCTIONS:

AB20-053 – Ordinance Amending NBMC Title 12 RE Parks & Trails **Audio: 35:11**

Senior Planner Mike McCarty provided the staff report.

Councilmember Loudenback **MOVED**, seconded by Councilmember Garcia to approve AB20-053, an ordinance adopting amendments to Title 12 of the North Bend Municipal Code concerning Parks and Trails, as a first reading.

Councilmember Rosen **MOVED**, seconded by Councilmember Garcia, to amend NBMC Section 12.04.030 A to add the following sentence at the end “with the consent of the City of North Bend.” The motion **PASSED** 7-0.

The main motion then **PASSED AS AMENDED** 7-0.

MAYOR, COUNCIL, AND ADMINISTRATOR CONCERNS AND INITIATIVES:

Councilmember Gothelf encouraged everyone to exercise caution as restrictions are lifted regarding the COVID-19 pandemic and to adhere to CDC guidelines regarding social distancing and other recommended measures that will help to give all first responders a break in their workload related to the virus.

Councilmember Loudenback thanked all first responders, including Councilmember Koellen, for all of their hard work during the COVID-19 crisis. Additionally, he thanked Deputy City Administrator/Finance Director Masko and Audio/Visual Consultant Larry Shaw for their hard work in setting up the virtual meeting and all the members of the public that attended the meeting and provided comments.

Councilmember Koellen thanked residents that have been staying home and staying safe and noted the number of patients at Harborview Hospital were not as high as they had anticipated. She commented on the outpouring of support those in her field had received and thanked everyone for their kind words and actions.

Councilmember Garcia echoed fellow Councilmembers comments regarding COVID-19 and suggested everyone make an effort to keep in touch with friends and loved ones at this time. He also commented on how uplifting it can be during a crisis such as this to acknowledge your neighbors with a wave or smile when you see them.

Councilmember Miller commented on the tireless efforts of first responders and other essential workers during the COVID-19 pandemic and thanked them for all their efforts. Additionally, she thanked Mayor McFarland and staff for organizing the virtual meeting and for those citizens that provided comments.

Councilmember Rosen echoed fellow Councilmembers comments regarding first responders and thanked essential workers at the grocery stores and gas stations in town for their tireless work during the crisis. Additionally, he thanked all citizens both young and old for stepping up and following CDC guidelines regarding COVID-19.

Councilmember Elwood echoed fellow Councilmembers comments regarding first responders and essential workers and thanked the citizens for taking the current situation seriously, respecting each other’s personal space, and adhering to the guidelines established by the CDC.

Interim City Administrator Miller commented on the hard work of the Mayor and staff during the COVID-19 pandemic and thanked them for their efforts.

Mayor McFarland spoke regarding the following items:

- April 22, 2020 - 50th Anniversary of Earth Day
- COVID-19 Resources on City website
- Damage to Septic Systems & WWTP caused by flushing disinfecting wipes

ADJOURNMENT:

Councilmember Gothelf **MOVED** to adjourn, seconded by Councilmember Garcia. The motion **PASSED** 7-0.

The meeting adjourned at 7:59 p.m.

ATTEST:

Rob McFarland, Mayor

Susie Oppedal, City Clerk