

NORTH BEND CITY COUNCIL MINUTES

February 16, 2021

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 7:00 p.m.

Councilmembers Present: Elwood, Gothelf, Koellen, Loudenback, Miller and Rosen. Councilmember Garcia was excused.

CONSENT AGENDA:

Minutes – Council Workstudy of January 26, 2021 & Council Meeting of February 2, 2021

Payroll – February 5, 2021 – 28265 through 28271, in the amount of **\$231,217.80**

Checks – February 16, 2021 – 70339 through 70411, in the amount of **\$307,342.56**

AB21-018 – Motion Authorizing Amendment to Pors Contract

AB21-019 – Motion Authorizing Blanket Purchase Orders

AB21-020 – Motion Authorizing Purchase Order with Centritek

Councilmember Gothelf **MOVED**, seconded by Councilmember Elwood to approve the consent agenda as presented. The motion **PASSED** 6-0.

ANNOUNCEMENTS, PRESENTATIONS, APPOINTMENTS:

Mayor McFarland announced the Planning Commission Report scheduled for tonight’s meeting would be provided at future City Council meeting.

State of the City Address – Mayor McFarland

Audio: 2:47

Mayor McFarland delivered the following State of the City of North Bend 2021 Address:

“It is my honor and pleasure to share with you the 2021 North Bend State of the City. Entering office, a year like 2020 was the furthest thing from my imagination. Never would I have predicted a global pandemic would be the backdrop for my first year as your Mayor.

Yet that was our collective reality, and I am proud to report to you that our City rose to the challenge of governing and operating in this difficult time and continued to meet the high expectations of our residents and businesses. We innovated, collaborated, and adapted – all the while evolving and becoming a stronger city with a stronger staff in this new ‘COVID normal.’

This is my second State of the City address to you, and unfortunately, the second delivered virtually instead of in person, it reflects our accomplishments this past year and an overview of goals for 2021 that will continue to reflect our small town feel as it continues to be one of the most highly livable places in all of Washington. While currently city hall remains closed and will for some time yet to come, our staff across the board responded to adapt to delivering quality service while concurrently abiding by health care guidelines to keep themselves and you safe.

Today I can say, while looking back, it's with "2020" vision! Although the pandemic has touched nearly all facets of our lives here in North Bend and beyond, there were other events that highlighted our ability to both maintain and gain under challenging conditions.

January snows and February flooding events last year highlighted the skilled coordination of our Public Works Department. Crews stayed on top of plowing and kept roads passable. When heavy rain raised ground water to levels not experienced in the memory of longtime residents, crews were in the field addressing drainage issues across the city. We were tested yet again just a few weeks ago with a windstorm and power outage that also impacted cell phone communications and internet connections across the region. Again, staff led emergency coordination was quick and responsive. Roads were cleared of debris and detours established in areas with downed power lines. We stayed in constant communication with utility providers and relayed that critical information with regular updates as best we could to our residents.

In many ways, one of COVIDs major impacts was that of time – nearly all aspects of the city's goals for progress were hindered yet we accomplished much and at our recent City Council retreat reaffirmed that the goals identified last year continue to guide us in addressing the important projects and policies that both impact the City's fiscal stability while bringing expected services to you.

The City's top priority continues to be securing our long-term water security. While slower than desirable we made solid progress toward science based and regulatory approved solutions that will ensure our goals of community, economic and environmental health are met. We are also transitioning from Phase 1 to Phase 2 of the Wastewater Treatment Plant improvements, and nearly ready to go out for the bond issue for funding. The third leg of fundamental infrastructure delivery is transportation and multiple transportation improvement projects are moving forward or finished such that I can say we have made solid progress across the board on our long-term infrastructure improvement planning.

Our 2021 multi-faceted water security approach includes:

- Local, state and regional approvals of our updated Water System Plan have been accomplished in close consultation with regulatory agencies and interested parties.
- That planning document includes a number of water mitigation options which we continue to explore to identify the best and most cost-effective long-term mitigation water solutions that consider regulatory requirements, environmental

regulations, and cost to ratepayers; and all intended to reach water resource security. If you are not familiar with this topic, I encourage you to visit the city website and read through the FAQs on Water resources posted there.

- With SEPA complete in early January we continue to work with the County toward approval and regulatory compliance on one of those options, the Cascade Golf Course mitigation water right.
- Last year City Council approved a stepped-up program to aggressively combat water leakage through aging water meter and water main replacements. We are targeting the replacement of up to 500 meters by year end and are in full design on a major water main replacement in 6th St.
- And we completed the first year with our new Water Conservation Ordinance in place and I'm pleased to report our program focus on public outreach with valuable conservation tips and education on water savings was successful. Users conserved water during the peak periods and we had no reports of abuse nor city corrective actions needed.

WWTP progress

We are very proud that Phase I of the monumental task to modernize our aging Wastewater Treatment Plant (WWTP) is almost reality. Nearly 90% of Phase 1 upgrades are complete, increasing redundancy, dependability, employee safety, and environmental protection of the Snoqualmie River. Phase 2 design is over 50% complete and Council is considering the sewer rate study results tonight, a key component for phase 2 bonding. When complete – anticipated in 2023-24 – phase 2 will complete desperately needed modernization meeting capacity and environmental protections. For those of you recent to the community (which I'll define as the past 30 some years) this is the first significant upgrade since the plant was built in the 1950s. To say it was time would be a significant understatement. There is no sugar coating that all users will experience an increase in their monthly bill. It is the unfortunate cost of past delay, neglect, and the same rising cost of construction that we are experiencing in our personal lives. I thank this Council for facing the hard choices and making the commitments needed to not push the burden onto future generations, or worse, ending up with an environmental failure. I hope to repeat that last statement in just a few years when we cut the ribbon on the fully completed project.

Economic Development and Transportation

Transportation improvements continue as the third leg of our top priorities. A huge accomplishment on that front was the completion of the Park Street Roundabout, which has enhanced public safety, decreased vehicle congestion and improved traffic mobility on North Bend Way. The intersection itself is fully functional including street lighting and the undergrounding of unsightly communication and power lines in the vicinity should be complete by the end of February. Included with this project was also the attractive center landscape strip between the Park and Cedar Falls Way round-a-bouts giving this whole stretch a fresh and appealing feel.

Continuing to execute against our revolving 6-year transportation improvement project plan, several new street and sidewalk projects are slated for this year. We will begin sidewalk improvements on 2nd Street from Bendigo to Ballarat and we will do a pavement overlay on Park Street between Bendigo to near North Bend Way as identified by last year's Pavement Study. And of special significance for the Forster Woods neighborhood, the first project in our sidewalk reinvestment program will take place in that neighborhood with an investment of up to \$400,000 toward repairing sidewalk damage caused by tree roots. While only a start, projects such as this one and a similar one planned in the future for the Si View neighborhood and other locations come with a live and learn lesson. Sometimes the choices we make in roadway design requirements have unexpected negative consequences. Through time we learn and adjust.

You may know my love of round-a-bouts (RAB) and I'd love to proclaim us the RAB capital of Washington. RABs are more traffic efficient, less costly to maintain and more friendly on costs to environmental quality.

To this end, we are currently in the design phase for a new roundabout at Bendigo Blvd and Mt Si Blvd, which will not only ease traffic in this busy area but provide improved commercial benefits via a better entrance to the Outlet Mall. The planning for this traffic improvement is being done in conjunction with the anticipated first major remodel of the mall itself which is expected to see the addition of a hotel and multiple new restaurants which would improve the fiscal viability of the mall and provide needed services to residents and tourists. Also anticipated is the start of construction on the roundabout at North Bend Way and 436th Ave SE in front of the Cedar River townhome project and perhaps the start of one at 436th Ave SE and SE 168th Street just south of Chinook Lumber in conjunction with the River Run apartment project.

Continuing a trend, several new businesses were established in our downtown corridor this past year including: Basepoint Fitness, Clarity Eyewear, Chowder House Café, Progression Cycle, The Village at Ignite, and Che Toi Boutique. Construction also began in the Meadowbrook neighborhood of the private Snoqualmie Valley Athletic Complex.

Our Community and Economic Development Department remains extremely busy as companies continue to be attracted to our community-centric small town. Karakoram Snowboard Bindings should complete its new headquarters on North Bend Way this spring; Puget Sound Energy is in design on an expected 50,000 sq. ft. training facility near Nintendo; design is underway on North Bend's approved retail marijuana store; the WA Army Department continues toward relocating its WA National Guard Readiness Center to the east end of town; and Alpentel Logistics, SeaCon and Capstone projects are moving forward in design stages as well. Add to this Phoenix Plaza's recent opening for leasing street level commercial space and we've experienced solid business and job opportunity improvements. In all, while just one new commercial building started construction, we saw the completion of 11 commercial improvements or remodels completed this past year.

To ensure we continue on a solid path, our volunteer Economic Development Commission is working on updating our Economic Development Plan for Council consideration this

year, and our Planning Commission is working on a new approach on evaluating how we determine development outcomes through a Form Based Code approach and recently proposed a Middle Density Residential zoning update that would provide more choice, housing types and improve the diversity of housing options in our City and to our residents. This MDR zone will be re-visited with Council at the appropriate time later this year and the Form Based Code will be introduced to Council as well.

Parks, Safety and Connectivity

Sewer, water and roads are all well and good of course but what we all also want is improved opportunities for play and recreation. We remain committed to expanding our outdoor amenities and creating a connected and safe city by expanding and improving access points between and among our parks, trails, and downtown core.

- Last fall a missing link was completed on the Tanner Trail Connection between Cedar Falls Way and Maloney Grove Ave, and a new Rapid Flashing Crosswalk was installed on Park Street at the trail connection between Si View Metropolitan Park and Taylor Park. Both projects make it safer and easier to get around town for bikers, walkers, and runners.
- Through a collaborative effort with the Veterans of Foreign Wars, the American Legion and the Snoqualmie Tribe, and the Snoqualmie Casino we dedicated a new Veteran’s Memorial Garden and Monument outside City Hall Chambers. It is a great spot to reflect and honor those who have served.
- We are continuing to work with King County Parks and the Dept. of Natural Resources to connect the future addition of the Dahlgren Family City Park to Tanner Landing Park; a public benefit as part of the Cedar River townhome project. The redesign will include Snoqualmie River access for outdoor enthusiasts and bring an expansive new park open space to our residents. Site work on this project began last fall and will continue throughout 2021.
- In partnership with the Si View Park District, design and construction of the Tenant Trailhead Park is also ongoing.
- And finally, I’ll mention that a joint effort with the Si View Park District, the Northwest Railroad Museum and the City we will create a Taylor Park master plan setting the stage for improvements in this focal park in our city downtown center.

Housing Affordability and Diversity

So far, I’ve mentioned changes, both commercial business and city infrastructure projects, that are reflective of a growing community. Along with these changes, 103 new homes were completed, nearly all large single-family houses, and we welcomed the new members of these households to our community.

Now I know that brings some worry about the pace of growth and concerns on how we maintain our small-town character as we grow. Some of those voices speaking out against

change are loud and likely many more residents have a sense of unease. I understand that and want you to know that your Council and my administration continue to take the steps for making planned, measured, responsible land use decisions while we meet our legal obligations.

Throughout our collective history there have been periods of little to no growth, even a retreat, and periods of a faster pace. We have been in one of those “catch up” cycles for the past several years now and while you can’t feel it yet, we have actually peaked and I expect we will experience both a natural and planned period of rest in the coming years. In fact, until some water and sewer upgrades are completed, very few new housing development proposals will be accepted for review. Within this all is the need to strike a balance and your Council continues to do that.

And part of that balance is ensuring we have a diversity of housing options permitted in our community to meet the needs of all residents, our own changing needs including maturing children, and in support of the businesses who need employees to provide the services you need. I stated last year and do again, a diversity of housing options to meet the needs of all City residents remains a significant challenge, especially for our lower income residents. We know this is critical, as approximately 60% of our jobs are filled by employees commuting from South King County. Wasted time, wasted resources and environmental costs literally going up in tailpipe exhaust.

This very complex topic of growth will be a focal point of a future community engagement effort with residents including surveys and town halls designed both to inform and seek your input on the policies in place and planned in the future. As we work toward that, projects already approved, some as much as a decade or more in the making, are likely to be built during 2021 and much of that reflects moving us back toward the balance of choice I just mentioned.

I’m pleased to report a small, income-restricted, Habitat for Humanity home project on 2nd Street is expected to break ground this year. We are excited about this private/public partnership that will offer affordable home ownership to several families. Additionally, the River Run Apartment project, which includes an affordable housing component, has indicated they anticipate breaking ground around June of this year. And a 25-unit condo townhome complex along Park Street is expected to begin construction, bringing with it yet another home ownership option to our town mostly absent since the early 1990s.

These projects along with the rising of Phoenix Plaza’s 37 apartments and the Cedar River apartments will go a long way toward bringing a balance back to housing options for residents in our community.

We remain committed to finding innovative ways to bring greater affordability in housing options to residents and filling the needs for the ‘missing middle’ through such initiatives as the MDR zone and by encouraging smaller homes on smaller lots. And this will include developing the program for government supported affordability made possible by Council’s October resolution to accept a small state sales tax increase here at home in

North Bend for affordable housing initiatives. We expect to receive about \$300,000 annually from this sales tax state transfer and plan to establish a task force this year to determine how best to put those funds to work in support of those most in need in our community.

Fiscal Stability

Like most municipalities, the pandemic had an impact on our resources, yet due to healthy reserves, prudent spending policies and solid forecasting, we fared much better than many other cities. We experienced a sizeable sales tax revenue dip early in the year related to pandemic restrictions and ended the year up 8% under 2019 sales tax collections.

However, we are cautiously optimistic as we continue to see a bounce back and are currently running ahead of adjusted, conservative forecasted sales tax revenue levels. In addition to sales tax, our real estate and commercial activity remain strong. This along with our continued penchant to operate leanly and efficiently is keeping us optimistic for the future.

With this insight, your City Council recently approved the new Biennial Budget which while it cut into cash reserves by approximately \$500,000, reflects revised anticipated revenues and tightened many spending goals. Council also declined to accept the allowed 1% levy lift in consideration of concerns for making it harder on property owners in the near term already dealing with COVID impacts. The overall outcome resulted in our general fund resources and programs taking the brunt of the hit while enterprise, capital and restricted funds remained largely intact. This budget guides our spending for 2021-2022 and is regularly reviewed and revised as new insight and information comes available. It is a solid and sound budget.

In our forward planning we continue to evaluate necessary steps to address shifts in revenue sources and growing operating and maintenance obligations. We have stepped up already concentrated efforts to secure grants and low-cost financing for infrastructure improvements and are hopeful that a renewed focus at the state and federal levels will help in this regard. Our continued fiscally responsible approach will also continue to result in favorable bond ratings for those times, like the treatment plant overhaul, that require bond funding. Looking into the crystal ball we anticipate lower real estate excise taxes in future years and expect to offset with strong sales and business tax growth and progressive property and specialty use tax policies which continue to ensure sound fiscal stability for city operating and capital budgets.

We are all aware at this point, one year in from our start of the COVID-19 pandemic, that 2021 will most likely be another year dominated by this event. Yet we are optimistic about the vaccine rollout and its expected positive effect on the economy at large. We know this won't happen as fast as we would like so we must remain vigilant and strictly follow public health guidelines while we wait. The health of our community, your health, is paramount, all other facets of life require it.

As we proved last year, despite challenges like a worldwide pandemic, we can maintain high levels of service that our residents expect. We can continue to thrive. We have strong, flexible staff members and elected officials dedicated to the North Bend community. The bar was raised high last year by unexpected challenges, but together we rose to meet it for the greater good of North Bend and thus ensuring the citizens of North Bend continue to enjoy a highly livable small town that's easy to reach and hard to leave.

Keep up your safe practices, stay healthy and let us hear from you.”

COMMISSION AND COMMITTEE REPORTS:

Community & Economic Development Committee – Councilmember Miller, Chair
A report of the February 16th meeting was provided.

Finance & Administration Committee – Councilmember Gothelf, Chair
A report of the February 2nd meeting was provided.

Public Health & Safety Committee – Councilmember Koellen, Chair
A report of the February 9th meeting was provided.

Transportation & Public Works Committee – Councilmember Loudenback, Chair
A report of the January 26th meeting was provided.

Planning Commission

The February 11th meeting was cancelled.

Parks Commission

A report of the January 27th meeting was provided.

Economic Development Commission

A report of the January 26th meeting was provided.

Council Workstudy – Mayor Pro Tem Garcia

No report.

Eastside Fire & Rescue Board Meeting – Councilmember Gothelf

A report of the February 11th meeting was provided.

Sound Cities Association – Public Issues Committee – Councilmember Loudenback

A report of the February 10th meeting was provided.

Snoqualmie Valley Transportation Committee – Councilmember Koellen

A report of the February 12th meeting was provided.

INTRODUCTIONS:

AB21-021 – Public Hearing, Ordinance Adopting New Sewer Rates

Audio: 42:23

Deputy City Administrator/Finance Director Masko provided the staff report. Consultant Sergey Tarasov of FCS Group provided a presentation on the proposed sewer rates increase.

Mayor McFarland opened the Public Hearing on an Ordinance Adopting New Sewer Rates at 7:56 p.m.

The following individuals commented on the agenda item:

Cherie Cooper, 301 N. Tacoma Ave., Tacoma

Kevin Brewster, 428 Orchard Ave.

Wende Miller, 6814 Denny Peak Drive SE, Snoqualmie

Joel Molander, 6903 Pinehurst Ave. NE, Snoqualmie, President of Puget Western

Mayor McFarland closed the Public Hearing at 8:04 p.m.

Councilmember Loudenback **MOVED**, seconded by Councilmember Miller to move an ordinance setting new Sewer Rates and General Facilities Charges and amending the Taxes, Rates & Fee Schedule for second reading and adoption at the March 2, 2021 City Council meeting. The motion **PASSED** 6-0.

MAYOR, COUNCIL, AND ADMINISTRATOR CONCERNS AND INITIATIVES:

Councilmember Miller encouraged everyone to continue to stay safe and noted she was looking forward to in person meetings once pandemic related restrictions were lifted.

Councilmember Gothelf reported COVID-19 related infections were decreasing and encouraged all to continue wearing masks, washing hands and maintain adequate social distance. He also encouraged citizens that were experiencing stroke or heart attack symptoms to call 911.

Councilmember Loudenback thanked Public Works crews and support staff for their efforts keeping the streets clear of snow and debris during the recent snow event. He encouraged all to remain safe and diligent during the pandemic and noted that the availability for local vaccines should be better known by March.

Councilmember Rosen echoed fellow Councilmember's comments regarding the recent snowstorm and COVID-19 safety guidelines.

Councilmember Elwood echoed fellow Councilmember comments and mentioned the weather related delays in garbage service and Republic’s notification system.

Councilmember Koellen thanked the Public Works crew for their efforts clearing snow from local streets, including those in her neighborhood.

City Administrator Miller reported on the excellent job the Public Works crew did clearing snow from City streets and the City Hall parking lot. He commented on the volume of work at the Committee level and noted he looked forward to a very productive year.

King County Councilmember Kathy Lambert congratulated the City on the recent passage of its Water System Plan. She noted King County was working on COVID-19 vaccine distribution and commented on the issue with availability of the vaccine. She thanked Eastside Fire & Rescue and other first responders for their vaccination efforts and for the community and local city’s offers to help facilitate local vaccinations. Councilmember Lambert concluded by noting Seattle-King County Public Health Officer Duchin hoped to have all wishing to receive a vaccine vaccinated by summertime.

Mayor McFarland spoke regarding the following items:

- Public Works Effort During Recent Snow Event
- Snowplow Route & Weather Related Delays for Garbage Pickup
- New Wayfinding Sign @ North Bend Way & Mt Si Blvd.

ADJOURNMENT:

Councilmember Gothelf **MOVED** to adjourn, seconded by Councilmember Elwood. The motion **PASSED** 6-0.

The meeting adjourned at 8:29 p.m.

ATTEST:

Rob McFarland, Mayor

Susie Oppedal, City Clerk