

CITY OF NORTH BEND
CITY COUNCIL WORKSTUDY NOTES

June 25, 2024

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

Mayor Pro Tem Gothelf called the meeting to order at 7:00 p.m.

Councilmembers Alan Gothelf, Mark Joselyn, Christina Rustik, Suzan Torguson, and Errol Tremolada were present. Councilmembers Elwood and Koellen were excused.

Staff Present: Mayor Mary Miller, City Administrator David Miller, Deputy City Administrator/Public Works Director Mark Rigos, Finance Director Martin Chaw, Community & Economic Development Director Rebecca Deming (remote), Administrative Services Director Lisa Escobar, Human Resource Manager Erin Mitchell, Communications Manager Bre Keveren, Economic Development Manager James Henderson, and Deputy City Clerk Jennifer Bourlin.

Guests Present: Economic Services Principal Todd Chase and Senior Analyst Devin Tryon from FCS Group. Travis Stombaugh, Minna Rudd and Bridget Verhei from Si View Metropolitan Park District.

Fiscal Sustainability Alternative 3

Economic Services Principal Todd Chase of FCS Group opened the presentation by explaining the purpose of session #3 was to focus on fiscal sustainability tools, strategies and recommendations. Mr. Chase discussed overall conclusions, adding that another meeting was scheduled for July, and that the fiscal sustainability study was on schedule. He stated the findings to date included that base line revenue growth was 2.0% per year average and projected expenditure growth was 4.4% per year. He said that no action was not an option as it would lead to depletion of reserves, budget, and service cuts. Mr. Chase continued with options that would have an immediate fiscal impact; increased utility rates, creating new funding sources, and reduced costs. He felt that strategic growth was preferred, and that economic development was cited as the number one priority by the community, and strategic employment land and sites would require upfront public investment.

Mr. Chase explained the different categories of strategies:

- Create improvement districts to create tax increment financing districts (TIF), expand utility local improvement districts (ULID) and voter approved property tax levy lid lift
- Update development impact fees, update connection charges and fee in lieu of charges using developer agreements
- Expand the City's service area
- Dedicate new local funding sources to leverage State and Federal grants
- Latecomers districts

Mr. Chase suggested other strategies to consider were increasing utility rates, increase public utility franchise tax, levy lid lift (voter approval needed), public facilities district (voter approval needed), downtown parking district, business improvement district, and encouraging certain types of long-term development to cover costs of public services. Council was interested in forming TIF's but also had concerns because it was new to Washington State.

Mr. Chase reviewed the preliminary recommendations as follows:

	Area #1 West North Bend	Area #2 East North Bend	Area #3 Urban Growth Area
Near-Term Years 1-2	Form TIF District Update Impact Fees Leverage CAPX Grants	Form TIF District Update Impact Fees Leverage CAPX Grants	Complete SEPA/EIS Update Impact Fees Leverage Planning Grants
Mid-Term Years 3-4	Developer Agreements	Developer Agreements	Adopt Public Facility Plans, Design Phase 1 Facilities, Form ULID
Long-Term	Monitor Funding	Monitor Funding	Developer Agreements

Finance Director Martin Chaw updated the Council on the City's Standard & Poor's credit rating. He thanked the Council for approving two months of reserves and believed it would increase the rating. Mr. Chaw reported the current rating was AA- for the Utility Fund and AA for the General Fund and believed the AA- rating for the Utility Fund was because storm and flood fees have not increased. He was in the process of creating a financial forecast and will use the current level of service, no new staff or programs for expenses. He concluded by noting the six-year forecast looked good but at the end of that period the unreserved funds would start shrinking if we used the current revenue tools.

Presentation – Regional Pool Options

Executive Director Travis Stombaugh of Si View Park District presented an overview for a future aquatic center including the service area, details of the new center, increased program options that it provided, location considerations, cost estimates and funding sources. He added that the current pool was almost beyond repair. Recreation Manager Minna Rudd of Si View Park District then reviewed feasibility study results and added the facility needed to be in a location to serve the entire service area. The service area used in the study included Preston, Fall City, Snoqualmie and North Bend. Recreation Supervisor Bridget Verhei, also from Si View Park District, added that an Aquatic Center brings in 30% more revenue compared to a standard pool. She added that the recreation and competition pools can accommodate learn to swim, fitness and therapeutic programs, host recreation play, competitive swimming and diving, water polo,

certification courses, dry & wet classroom spaces, water safety programs and small watercraft classes. Mr. Stombaugh then discussed location options and added that they would consider other locations. Council consensus was to support a regional pool and planned to research funding options.

Adjournment

The Workstudy closed at 9:03 p.m.

ATTEST:

Alan Gothelf, Mayor Pro Tem

Jennifer Bourlin, Deputy City Clerk