TUMWATER TRANSPORTATION BENEFIT DISTRICT
MINUTES OF MEETING
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CONVENE: 8:09 p.m.

PRESENT: President Neil McClanahan and Councilmembers Joan Cathey, Eileen Swarthout, Ed Hildreth, Nicole Hill, Debbie Sullivan, and Tom Oliva.

Staff: City Administrator John Doan, City Attorney Karen Kirkpatrick, Public Works Director Jay Eaton, Assistant City Administrator Heidi Behrends-Cerniwey, and Recording Secretary Valerie Gow.

Others: Mayor Pete Kmet.

DISCUSS:

PROJECT SELECTION CRITERIA & BUDGET DEVELOPMENT: Director Eaton briefed the Board on policy considerations for the selection and scheduling of TBD projects and the development of the annual program budget. By fall, the Board will consider projects to pursue.

Project considerations include pavement ratings, treatment category and type (preventive maintenance, rehabilitation, or reconstruction), street classification, utility project coordination (no-cut goals), accessibility (American with Disabilities Act (ADA) considerations) and pedestrian improvements, partnerships and opportunities (other grant opportunities for combining projects), and geographic distribution of projects.

Councilmember Oliva agreed with the direction of the project considerations and suggested including another category, such as goodwill or consideration of recurring hot spot areas in the City that typically generate much frustration. It could afford an ability to address areas outside of the process that might provide immediate benefits. One example is the intersection at Capitol Boulevard and Trosper Road.

Councilmember Cathey asked whether the considerations include the City's prior planning efforts for Capitol Boulevard and the Brewery District. Many of those planning efforts include pedestrian improvements. Director Eaton affirmed the prior planning processes were reviewed for inclusion of specific projects pertaining to utility coordination and partnerships and opportunities for seeking grant funds.

Councilmember Cathey inquired as to whether the considerations also include Sustainable Thurston Plan principles and goals for sustainability. Director Eaton emphasized that the program is focused on maintenance rather than expansion projects. The program focuses on maintenance between existing right-of-way with some upgrades for ADA improvements (ramps/sidewalks) based on federal requirements.

Councilmember Hill commented that the considerations or category of classifications have served the City well in the past. She referred to the Capitol Boulevard project and the availability of the grant to support that project type, which speaks to partnerships and opportunities. The Capitol Boulevard project also considered utility coordination as Puget Sound Energy scheduled the installation of a new gas line, which coincided with the project timeline to avoid cutting a newly paved road.

Director Eaton provided additional information on project considerations:

- Pavement ratings reveal current condition of streets system-wide, what should be done and when, identification of the right treatment at the right time, and performance measures and whether the program is meeting expectations. Ratings are the starting point and identify the need City-wide.
- Treatment categories and types include:
  Preventive Maintenance (least expensive):
  - Crack sealing
  - Chip seals
  - Slurry Seals\Micro Seals

  Rehabilitation:
  - Overlay
  - Grind and Overlay

  Reconstruction when road has deteriorated beyond repair.

- Street classification: arterials, collectors, and residential. Pavement management system favors higher volume roads with higher percentages of trucks.

Councilmember Cathey said the list appears to focus less on residential streets as a citizen's concern might not be on how well trucks can travel throughout the City but on the condition of a neighborhood street.

President McClanahan spoke to the importance of maintaining main arterials, which benefit all citizens.

Director Eaton identified some local street classifications. North Street is either a minor arterial or a collector. Irving Street is considered a collector street. Fourth Avenue on Tumwater Hill is considered a residential street. E Street off Elm Street is a residential street while Elm Street is a collector. Streets serving as thoroughfares are either arterials or collectors.

- Utility coordination - "no-cut" goal:
  - Preventative maintenance – every 3 years?
  - Rehab and reconstruction every 5 years?

The current overlay policy is no-cut for five years. Program needs from other types of projects (water, sewer) would be considered in planning future pavement projects. Forecasting too far into the future might delay repaving projects when combined with utility projects. It might also mean advancing utility projects to meet repaving timelines. Coordination of the different projects is the most difficult aspect of the program in terms of programming projects for the next 10 years. It speaks to defining the need of the forecast period. Five-year forecasting is based on current policy.

Director Eaton asked for feedback on the forecasting timeline.

Councilmember Hill recommended jointly considering the Capital Facilities Plan (CFP) and TBD work plan and budget for aligning projects, as well as considering opportunities for mobilizing a project or integrating with other projects to reduce frequencies in disrupting traffic.

Councilmember Sullivan cautioned against delaying a project too long to align with utility projects when it might degrade the roadway to the point where preventive maintenance is no longer possible.

Director Eaton described the process of utilizing the project list and scoring projects from criteria and ratings to identify where projects rank.

- Pedestrian accessibility - does treatment type require ADA upgrades, can budget support upgrades, review for alternative treatment type? Consider sidewalk infill, roadway paths or shoulder widening.

- Opportunities/Partnerships:
  - Combine with other projects
  - Utility extensions and replacement
  - Transportation projects
  - Private development projects

- Grants:
  - Matching funds availability
  - Competitiveness of projects

- Economic development – consider focusing on priority areas:
  - Capitol Corridor
  - Brewery District
  - Other areas

- Geographic distribution:
  - Group "areas" of streets and treatment for annual projects
  - Distribute projects throughout the City of Tumwater
  - Annually or multi-year?
  - Equalize by costs or lane-mile?

Director Eaton reviewed TBD projected revenues:

- $866,000 for 2016
- 2% annual sales tax growth factored each year
- Over a ten year period, the average annual revenue is anticipated to be $948,000

Proposed TBD budget includes:

- Administration and overhead costs of 15%
- Projects costs = 75% for pavement maintenance (15% for lower cost alternatives (subject to change), 50% for rehabilitation and reconstruction, 10% for patching (regardless of the treatment, and 0% for ADA upgrades this year
- 10% to a reserve fund.

Director Eaton responded to questions about potentially supplanting funds. The formation of the TBD and the definition of the projects for preservation and maintenance of roadways do not specifically address supplanting, but it's important not to supplant, which is why some ADA upgrades are included. ADA projects are driven by other projects.

Other policy considerations include transferring the existing pavement maintenance CFP program of $170,000 to the TBD program or possibly using the funds for another program not tied directly to the TBD, such as allocating the funds for neighborhood streets or different types of pedestrian projects. Another option is discontinuing the CFP program and using the annual allocation to fund other transportation needs in the City.

Councilmember Sullivan expressed a preference to defer a decision at this time, as the City should consider natural hazards and maintaining some flexibility in terms of how the funds can be utilized.

Councilmember Hill recommended retaining the CFP allocation for roads and pedestrian projects with the understanding that it complements TBD funds for pavement maintenance. She prefers not supplanting TBD funds with the CFP funding source as the TBD is intended to expand the maintenance program within the City's major corridors.

Director Eaton agreed that retaining the two funding programs affords the City with some flexibility because TBD funds are restrictive in terms of types of projects.

Councilmember Cathey added that the CFP program provides some flexibility to complete improvements in other areas of the City.

Director Eaton recommended utilizing the Public Works Committee for TBD project reviews and a recommendation on the project list for the Council's consideration in the fall.

MOTION:

Councilmember Oliva moved, seconded by Councilmember Cathey, to appoint the Public Works Committee to serve as the subcommittee of the TBD to review and refine the project list for a recommendation to the Council in the fall. Motion carried unanimously.

ACTION:

RESOLUTION NO. 2015-006, MATERIAL CHANGE POLICY:

Director Eaton reported the statute requires adoption of a policy to address project material changes. Staff is requesting approval of the resolution to satisfy the requirement.

The statute prescribes any project changes amounting to 20% or

more of the project cost to be approved by the TBD. The resolution proposes that any schedule changes of 90 days would be reviewed by the TBD Board. The material change to scope is difficult to quantify because TBDs can include any type of transportation project. Many jurisdictions use a TBD for larger road projects. Because of the difficulty of forecasting a scope change that affects project delivery, the proposal would allow staff to consult with the President on any scope changes to determine whether the issue should be reviewed by the TBD Board for consideration.

Director Eaton explained how the City tracks TBD funds if the project is combined with a utility or other type of transportation project.

Councilmember Hill asked how staff plans to cover overruns if the reserve is only 10%. Director Eaton explained that when contracting, the City contracts for the lowest bid price for the project. If bids are under the estimate, the contract could be revised to include more projects to cover the entire cost. Additionally, because of the type of TBD program, the issue likely wouldn't occur because the different treatments are based on a specific project list and plan. If bids are received per unit higher, it's possible to reduce the project list should a cost implication occur.

Councilmember Oliva asked whether a material change of 20% or greater requires a public hearing. Director Eaton advised that the statute requires a public hearing.

MOTION: **Councilmember Oliva moved, seconded by Councilmember Sullivan, to approve No. 2015-006, adopting a policy to address major plan changes that affect project delivery. Motion carried unanimously.**

Councilmember Oliva commented on the possibility of bonding some repairs to achieve more results when interest rates are lower. Director Eaton said the option was considered; however, the TBD is only authorized for 10 years. Additionally, preservation work would involve a significant number of streets causing impacts to motorists. It's unlikely the City would have the capacity to undertake that many projects. Utility coordination also comes into play creating another challenge.

Director Eaton responded to questions on the next steps. Staff will work with the Public Works Committee on the project list and the list

of considerations to develop a draft annual plan of projects and corresponding budget.

City Administrator Doan added that the City doesn't anticipate receiving TBD sales tax revenue until October. Most of the first quarter revenue will pay for existing expenses of staff time and election costs from the Thurston County Auditor's Office. Staff is also exploring different options for tracking sales tax revenues generated by the TBD. The recommendation is establishing a separate revenue fund for TBD sales tax.

Director Eaton added that staff would follow up on statute requirements for any public hearing requirements for projects and other administrative requirements.

ADJOURNMENT: **With there being no further business, President McClanahan adjourned the meeting at 9:17 p.m.**

Prepared by Valerie L. Gow, Recording Secretary/President
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