

CITY OF LYNNWOOD
TRANSPORTATION BENEFIT DISTRICT BOARD SPECIAL MEETING MINUTES
June 29, 2016

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2 10. CALL TO ORDER – The June 29, 2016 Special Meeting of the City of Lynnwood
3 Transportation Benefit District (TBD) Board, held in the Council Chambers of Lynnwood
4 City Hall, was called to order by Board President Cotton at 7:01 p.m.

5
6 20.

ROLL CALL

Board President Ian Cotton
Board Vice President Benjamin Goodwin (absent)
Board Member M. Christopher Boyer
Board Member Ruth Ross (absent)
Board Member Shannon Sessions
Board Member Shirley Sutton
Board Member George Hurst

OTHERS ATTENDING

Public Works Director Franz
Deputy PW Director Elekes
Resident Capital Project Eng. Mach
Executive Assistant Morris
Finance Director Springer
Board Attorney Larson

7
8
9 30 Approval of Minutes – April 20, 2016 and May 31, 2016 Special Meetings

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11 *Motion made by Board President Cotton, seconded by Board Member Sessions, to approve*
12 *the minutes of the April 20, 2016 and May 31, 2016 Special Meetings. Motion passed*
13 *unanimously.*

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15 40. Citizen Comments and Communications

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17 Loren Simmonds, PO 2193, Lynnwood, WA 98036, spoke to the TBD strategy and
18 scheduling related to a potential ballot measure resolution for increased sales tax and or
19 increased or decreased vehicle license fee funding option. He reminded the Board that any
20 ballot measure they submit on November 8, 2016 will be in competition with at least three
21 other ballot measures. He noted that if they move forward they will be reducing their
22 chances of succeeding because of the number of similar measures presented within the same
23 timeframe. He also encouraged the Board to not consider eliminating the existing TBD
24 licensing fees at this time, but possibly take a look at it later.

25
26 50. Presentation, discussion and possible action or other disposition related to a potential
27 ordinance for increased or decreased vehicle licensing fee funding options including but not
28 limited to:

- 29
- Schedule
 - Scheduling of a public hearing
 - Other potential documents and procedures
- 30
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1 Staff Presentation:

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3 Director Franz stated that when the legislation allowing TBDs to form was put into place it
4 allowed jurisdictions to implement \$20 vehicle license fees councilmatically. The TBD
5 Board put that into place several years ago, and it generates \$500,000 a year which has to be
6 used for transportation purposes. Recently the legislature changed the law to allow an
7 additional \$20 fee (for a total of \$40) to be implemented councilmatically. Anything beyond
8 \$40 requires a public vote.

9
10 Resident Engineer Mach referred to the sample ordinance in the Board's packet on page 50-
11 2. He stated that that the Board is advised hold a public hearing to get public comment if
12 they want to move forward with this. Once the ordinance is passed it will be a little over six
13 months until the fees go into effect.

14
15 Deputy Director Elekes reminded the Board that the City Council approved a contract for
16 the City to go out and re-rate the pavement citywide. The first wave of the data from that
17 will be completed in July which will help inform the Pavement Management Program going
18 forward.

19
20 Board Questions and Comments:

21
22 Board Member Sessions asked if there have been any complaints about the current \$20
23 license tab fees. Resident Engineer Mach stated that in the first year there were three or four
24 calls, but after that there haven't been any. Board Member Sessions asked about restrictions
25 for the funds. Director Franz stated that the intent was to heavily use them toward pavement
26 overlays. In the last budget there were some constraints on General Funds that went into the
27 Streets Fund so in order to balance the Street Fund they are using \$150,000 per year to use
28 for street operations. He stated that he hoped that through the budgeting process the money
29 can be diverted back into pavement management more than the operations. Resident
30 Engineer Mach stated that the Board can choose to change the list of projects by holding a
31 hearing.

32
33 Board Member Boyer asked about the date of the Tim Eyman initiative years ago when he
34 slashed the fees. Director Franz thought it was in the mid to late 90's. He noted the fees
35 were much higher then, and they went into the State General Fund. Board Member Boyer
36 asked if there have been any studies done recently about how Washington State citizens
37 stand vis-à-vis the rest of the country on those fees. Director Franz did not know of any
38 studies. Board Member Boyer noted that citizens here have expressed that they feel unfairly
39 taxed, but he doesn't get the sense that they feel the tab fees are a major issue. Deputy
40 Director Elekes commented that before the Tim Eyman initiative was passed the public felt
41 that the fees were increasing and were out of control. This seems to be more palatable even
42 though it is a challenge for some at lower income levels. Board Member Boyer agreed. He
43 stated this appears to be an appropriate opportunity to raise the fees to address an issue that
44 impacts all the businesses, residents, and visitors to the City. The \$20 increase still seems
45 fair and appropriate. Board Member Sessions noted that I-695 was passed by voters in 1999.

1 Board Member Sutton asked how much the City needs a year for the paving program.
2 Director Franz said it was approximately \$4 million to keep up with the program, but the
3 consultant is currently re-rating the program, so there will be new numbers to share soon.
4

5 Board Member Sessions stated that the reason she likes the car tabs is because it goes
6 directly to the streets. What she doesn't like about the car tabs is that it's going directly on
7 the shoulders of Lynnwood residents. She isn't ready to vote in support of increasing the
8 tabs to \$40 because they still need to hear about the re-rating of the pavement as well as the
9 fact that this is a budget year, and they don't know yet how money will be allocated for
10 streets in the budget. She also noted that they won't know until November if the ballot
11 measure passes which could completely change things.
12

13 Board Member Hurst asked what surrounding cities are doing as far as tab fees. Resident
14 Engineer Mach replied that the Department of Licensing's website lists out all the other
15 cities that have put the vehicle tabs into effect. He thought that there were 60 or more cities
16 that have the \$20 fee, and a few have gone up to \$40.
17

18 Board President Cotton commented that \$20 can be a hit for some households, but noted
19 that it's equitable in its size. He spoke to the immediate needs for streets in the city. He
20 asked if there was consensus to hold a public hearing as a next step. It appeared that there
21 was.
22

23 Board Member Boyer commented that the longer they wait the deeper into 2017 it pushes
24 the date when the City starts receiving revenue. He spoke in support of holding a public
25 hearing as soon as possible. There was discussion about when to proceed with a hearing and
26 the general timeline.
27

28 Board Member Sessions commented that holding a public hearing on this particular item
29 seems like a waste of time when the Board isn't even sure about it. If they do hold a public
30 hearing, she would rather do it sooner rather than later so it doesn't get confused with the
31 ballot measure in October.
32

33 Board Member Hurst spoke in support of holding a public hearing as soon as possible
34 because of the upcoming budget and elections in the fall.
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36 Board Member Sutton also spoke in support of holding a public hearing soon in order to
37 adequately inform the public.
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39 *Motion made by Board Member Boyer, seconded by Board Member Hurst, to schedule a*
40 *Special TBD Board Meeting on July 27 at 7 p.m. for the purpose of holding a public hearing*
41 *on the vehicle license fee funding options. Motion passed (4-1) with Board Member Sessions*
42 *voting against the motion.*
43

44 60. Prohibition on Use of Public Facilities to Support or Oppose Ballot Measures
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46 Board Attorney Rosemary Larson made a brief presentation regarding actions that the TBD
47 Board Members may or may not take in connection with the ballot measure. She explained

1 that the RCW prohibits elected officials and public employees from making any use of
2 public facilities to support or oppose a ballot proposition or candidates for office. She
3 discussed a memo she included in the Board's packet which summarized the regulations.
4

5 There are three exceptions to the rule. One of them is that a legislative body can pass a
6 resolution expressing their collective support or opposition to a ballot proposition. Another
7 exception is that an elected official may make a statement at a press conference or respond
8 to a direct inquiry. The final exception states that a public agency is allowed to do any
9 activity that is part of their normal and regular conduct. The agency can prepare a single,
10 factual statement regarding a ballot proposition. She encouraged the Board members to read
11 through the memo and contact her if they have any questions.
12

13 Board Member Sessions asked about social media. Board Attorney Larson explained that
14 council members' and city staff's first amendment rights are not suppressed by this. As
15 private individuals they can make whatever statements they want on their personal social
16 media, but not on the City's Facebook page.
17

18 Board Member Hurst asked for more information about a PDC investigation related to the
19 TBD's last sales tax campaign that he read about in the *Herald*. Board Attorney Larson
20 explained that a public survey created by a consultant for the TBD contained some questions
21 that were deemed objectionable because they asked people how strongly or what percentage
22 they would support various sales tax increases. Under the PDC's interpretation of their
23 guidelines, an agency should not be asking a survey question like that because then the local
24 agency could use that information to craft their ballot proposition so it will best succeed.
25 Under that theory, they are using public funds to support a ballot proposition. Board
26 Member Hurst asked if the consultant had asked her to review of the survey. Board Attorney
27 Larson replied she had not seen the survey, but noted the consultant had done similar
28 surveys for many other public agencies and had never been objected to before.
29

30 70. Presentation, discussion and possible action or other disposition related to a ballot
31 proposition to impose a sales and use tax including but not limited to:

- 32 • Schedule
- 33 • Explanatory statement
- 34 • Appointment of Pro/Con committee members
- 35 • Other potential documents and procedures

36
37 Staff Presentation:
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39 Resident Engineer Mach explained that there are three things the Board has to submit to the
40 State Auditor's Office in order to get a proposition in place. They have already passed a
41 resolution which was one of the items. Another item the Board needs to provide is an
42 Explanatory Statement. Staff has provided one in the TBD packet which is similar to the one
43 that was used two years ago with some slight revisions. He solicited comments from the
44 Board on this Statement, but noted that ultimately it is the Board Attorney who will write a
45 letter saying that either she drafted it or she approved it. The last item is to appoint Pro/Con
46 committee members. He explained that staff advertised for two weeks for anyone interested
47 in serving and got three members interested in serving on the Pro Committee and one person

1 interested in serving on the Con Committee as listed on page 70-3 of the TBD packet. It's up
2 to the Board to decide if they want to appoint these individuals. If they do not appoint
3 anybody then the Auditor's Office will put out a notice and try to get Pro/Con committee
4 members. The deadline to get that in is August 2.

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6 Board Comments and Questions:

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8 Explanatory Statement

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10 Board Member Boyer referred to the Explanatory Statement and asked if it is allowable for
11 this Statement to include staff's previous estimate of \$3.5 to \$4 million needed to adequately
12 fund the pavement projects. Board Attorney Larson said she did not know of any reason why
13 not. Board Member Boyer suggested that this factual information be included. Board
14 Attorney Larson indicated she would try to incorporate it unless she determines for some
15 reason they weren't allowed to.

16
17 Board Member Hurst asked if there was any interest among the TBD Board members to
18 withdraw this ballot proposition and instead refer a levy lid lift proposition to the City
19 Council. Because of the recent developments with the County putting up their measure in
20 August he thinks that getting an increase in sales tax is a losing proposition.

21
22 Board Member Boyer disagreed with that interpretation. He stated that the facts seem to
23 show that when the voters are presented with a clear line between taxes asked for and what
24 those taxes are going to that there is a much higher percentage voting in the affirmative. He
25 thinks they have a really strong case by stating that the City needs \$4 million a year to keep
26 the roads in the kind of condition the experts say they need to be in and asking the public for
27 \$2 million towards that. Regarding a levy lid lift, he noted that the City Council has heard
28 from their consultant on prior issues that a property tax measure will be necessary if there is
29 an RFA that moves ahead. He doesn't want a levy lid lift to come into competition with
30 something else that the City is trying to do.

31
32 Board Member Sessions said she liked the suggestion of adding the verbiage about the cost
33 as suggested by Board Member Boyer. She also likes that the Explanatory Statement
34 mentions some specific problem areas because it makes it helpful for people to visualize.
35 She stated she is still in favor of moving forward with a November ballot measure.

36
37 *Motion made by Board Member Boyer, seconded by Board Member Hurst, that the*
38 *Transportation Benefit District Board appoint Ian Cotton, Charles Dean, and Tony*
39 *Mangefeste to the Pro Committee and Ted Hikel to the Con Committee. Motion passed*
40 *unanimously.*

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42 80. Scheduling Upcoming Special Meetings


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44 Scheduled above under item 50.
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90. Adjournment

Motion made by Board Member Boyer, seconded by Board Member Hurst, to adjourn the meeting. Motion passed unanimously.

The meeting was adjourned at 8:08 p.m.



Sonja Springer
Finance Director, Acting as Board Treasurer



Ian Cotton, TBD Board President