



SOUND CITIES ASSOCIATION

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SCA Board of Directors MINUTES

June 19, 2013 10:30 AM

Renton City Hall

1055 South Grady Way, Renton 98057

1. **Call to Order:**

Denis Law, SCA President, called the meeting to order at 10:33 a.m.

Members present: David Baker, Chris Eggen, Don Gerend, Dave Hill, David Johnston, Matt Larson, Jamie Perry

Members absent: Dini Duclos, Mia Gregerson, Ken Hearing, Pete Lewis, John Marchione

Staff present: Deanna Dawson, Kristy Burwell

Guests present: Mike Schechter

2. **Public Comment:**

President Law asked if any member of the public had any public comment. Seeing none, President Law closed the public comment portion of the meeting.

3. **Consent Agenda:**

Dave Hill moved, seconded by Chris Eggen, to approve the Consent Agenda. There was no discussion. The motion passed unanimously.

4. **President's Report:**

President Law noted that he would not be giving a report this month due to the shortened agenda.

5. **Executive Session:**

At 10:34 AM, President Law announced that the Board would be going into Executive Session to discuss potential litigation for 20 minutes. He asked SCA Executive Director Dawson and Administrative Services Manager Kristy Burwell to be present for the discussion. Also present was SCA attorney Mike Schechter of Foster Pepper.

At 10:53 AM, President Law announced that the Executive Session would be extended for another twenty minutes. He asked SCA Executive Director Dawson and Administrative Services Manager Kristy Burwell to be present for the discussion. Also present was SCA attorney Mike Schechter of Foster Pepper.

At 11:10 AM, the Board ended its Executive Session. No action was taken. The meeting resumed at 11:13 AM.

6. Executive Director's Report:

- a. Dawson first reported on her meeting with staff from the Port of Seattle. She noted that SCA had reached out to the Port following a presentation on its Century Agenda last year. The meeting with Port staff was productive, and she and staff had suggested a follow up meeting between SCA leadership and Port leadership. The Board agreed this was a good idea, and asked ED Dawson to set up a meeting between President Law, Vice President Marchione, and Port Commission Chair Albro and any other Commissioner and/or staff that he wanted to invite. David Johnston noted that his Council had concerns about Port accountability, and the value that their citizens received for the tax dollars that went to the Port. He indicated that his Council may benefit from a presentation from the Port. President Law and Mayor Hill noted the importance of the Port to the economic vitality of King County and its cities. Dawson agreed, and noted that discussions with Port staff had emphasized the need for the Port and cities to work together collaboratively on issues of economic development and transportation.

- b. ED Dawson next reported on a meeting she had had with AWC CEO Mike McCarty. The relationship between AWC and SCA was strengthened during Don Gerend's term as AWC President. It was important to maintain that relationship once Gerend's term ended later this month. In the meeting with McCarty, they had discussed partnering on workshops for AWC and SCA members. McCarty also offered the potential assistance for SCA on matters such as public records requests. Dawson and McCarty will begin meeting on a quarterly basis. Matt Larson was supportive of collaborating with AWC on workshops. President Law agreed that it would be helpful for the organizations to be cooperative and not to duplicate efforts. ED Dawson reported that AWC is researching and considering changing its employee benefits to a self-insurance model. ED Dawson continued that if AWC decides to change the structure of their benefits, SCA may not be able to receive insurance benefits through AWC. President Law suggested that SCA check with the Tukwila Chamber of Commerce on the benefits that it offers employees. Jamie Perry suggested that SCA look into seeking coverage through a member city, such as Kent. The City of Kent offers insurance to the Regional Fire Authority (RFA), which is an independent organization. Dave Hill stated that one of the State insurance pools should have open enrollment opportunity soon. David Johnston added State Registries insurance pools may have the same opportunity as well. ED Dawson agreed that SCA should explore alternative options, regardless of what path AWC took. Chris Eggen inquired if AWC's insurance benefit structure will impact the plans that it offers through the Employees Benefit Trust. Eggen continued that a few councilmembers who do not receive insurance through their employers, would like to be able to receive benefits through AWC, however it takes a majority of the Council to be considered for benefits. Don Gerend stated that if AWC changes to a self-insurance model for its employees, it may affect the Employee Benefit Trust as well. Johnston is interested in hearing more about the changes in insurance models concerning AWC as an employer providing benefits versus AWC as a provider of benefit plans to other entities.

- c. ED Dawson reported that SCA has had two successful Pre-PIC workshops with Jurassic Parliament on May 8, 2013 and Ogden Murphy Wallace PLLC on June 12, 2013. Ann Macfarlane of Jurassic Parliament gave an informative and interactive presentation on Managing Conflict and Moving On. Kristin Eick from Ogden Murphy Wallace PLLC gave a presentation on the Open Public Meetings Act and the Open Public Records Act, and social media.

- d. ED Dawson reported that SCA was co-hosting an Eastside Transportation Town Hall on June 19, 2013 and several SCA members are featured on the panel: Bruce Bassett, Joan McBride, Pete Lewis, Don Gerend, and David Baker. Bellevue Deputy Mayor Jennifer Robertson, King County Councilmembers Jane Hague and Rod Dembowski, and King County Deputy Executive Fred Jarrett will also be featured on the panel. Matt Larson commented that he likes the creative word cloud created by Monica Whitman for the purposes of the Eastside Transportation Town Hall event. Chris Eggen reported that he has been invited to give a brief broadcast news segment for Comcast Newsmakers at the AWC Conference on transportation, and that the materials for the Town Hall would be of value in preparing his remarks for that presentation.
- e. ED Dawson reported that staff has created an email distribution list for member city Public Information Officers and Communications Directors to be included when sending announcements and press releases out to members. Currently, ED Dawson is reviewing press releases for David Bakers election to the Board, and John Marchione and Matt Larson elections to Board Officer positions. ED Dawson reported that SCA is working on updating its website to highlight local farmers markets and other local events.

7. Membership Committee Report:

Dawson reported that the SCA Membership Committee did not meet in June. Instead members were asked to take that time to work on recruitment of members. The SCA Membership Committee will be meeting to elect its new chair. ED Dawson reminded members that one of the Board's goals from its retreat was to do more outreach to businesses, and to recruit more Regional Associate Members. SCA has one new Regional Associate Member, Gordon Thomas Honeywell, and ED Dawson thanked Mia Gregerson and David Baker for their recruitment efforts. Don Gerend indicated that he was following up with Kenyon Disend, who had not yet renewed their membership for 2013.

8. City Manager's Report:

David Johnston reported that at the June 5, 2013 City Managers/Administrators meeting a primary topic was the City of Issaquah changing to a self-insurance model. A consultant gave a primer on what to expect when health care reform takes effect in 2014. Next year there will be a 5% surcharge to insurance companies which will most likely be passed to the customer. In looking at AWC premiums, the increase will be 13-15% instead of the historical increase of 8-10%. Employees of King County have been given an option that if they achieve certain goals that benefit their health, they will receive a lower insurance premium. Johnston cautioned members that in 2018, it is projected that the insurance surcharge will be 40%. Some employers, like Issaquah and possibly Snoqualmie as well as others, will consider alternative insurance options. AWC is nervous about losing contributors into its insurance pool. Johnston urges cities to look into the impacts that health care reform would have on cities. Johnston reported that the Washington City/County Management Association (WCMA) Summer Conference will be in Port Townsend in August 2013.

9. Public Issues Committee (PIC) Report:

ED Dawson reported that at the June 12, 2013 PIC meeting, the group discussed the potential policy position to encourage the Solid Waste Division to consider waste-to-energy methods for waste disposal options. All members were supportive of this potential position.

ED Dawson reported that the Regional Transit Committee (RTC) had a workshop on June 10, 2013. One topic of great interest at the workshop was park-and-rides, and how to use technology to

make better use of park-and-rides to encourage transit ridership. She noted that RTC Chair Councilmember Dembowski is supportive of working with cities on this issue.

ED Dawson reported that there was a robust discussion on the King County Flood Control District Advisory Committee (KCFCDAC) agenda item.

ED Dawson reported on the discussion on transportation. At the last PIC meeting, Dawson had given a brief update on the status of a transportation package in the legislature. Members had a lot of questions about this topic, and about the recently released Senate transportation proposal. As those discussions progressed, Mayor Baker of Kenmore had made a motion that SCA take emergency action, and support the House version of the transportation package, and the local option included therein.

For the Board, Dawson gave an overview of the difference between the House and Senate transportation packages, and the local options contained in each.

As to the statewide package, there were pros and cons for member cities in each version of the package. For example, the House version contained funding for some projects in Lake Forest Park and Kenmore that were not contained in the Senate version. Conversely, there was more funding for some projects important to SCA cities in the Senate version, such as the Federal Way Triangle project. The biggest difference between the two packages is that the Senate version does not fund the Columbia River Crossing project. This would leave more funds for other projects.

The differences between the local option in the House and Senate version were clearer:

The House version of the local option was aligned with what SCA member cities and the County had supported. It would give King County a local option to pursue a Motor Vehicle Excise Tax (MVET) of up to 1.5%. The funds would be split with 60% to transit, 40% to roads. The roads portion would be split between the County and Cities based on population (with approximately 90% of the roads dollars going to cities). The House proposal would also allow cities with Transportation Benefit Districts (TBDs) to impose a \$40 car tab fee councilmanically (up from the current \$20 limit)

The Senate version of the local option was very different from what SCA cities had supported. Instead of a local option that was for both roads and transit, it separated the two. This package would extend the current \$20 "congestion relief" car tab fee authority that King County currently has, and expand use to Pierce and Snohomish Counties. However, while those dollars are currently used to fund Metro in King County, this proposal would limit use of those funds to roads and bridges (no transit). Instead of an MVET, the Senate proposal would allow King County to raise the sales tax by an additional .3%. But these funds could only be used for transit, not a combination of roads and transit as favored by SCA cities. This would require a vote of the people to approve- it could not be done councilmanically. And in addition, in contrast to the proposal to split an MVET between transit and roads (with the bulk of the roads funds dollars going to cities), no portion of these new funds would be available for roads. Instead, all of the new sales tax would go to transit. Instead of a provision that would allow cities with Transportation Benefit Districts (TBDs) to impose a \$40 car tab fee councilmanically,

the Senate version would allow for cities' sales tax authority to be raised from 0.2 percent to 0.3 percent if approved by a vote of the people within each jurisdiction.

The Board discussed the various options regarding a position to take on behalf of SCA. It could take no position. It could take the position initially recommended by the PIC, and express support for the House versions of both the statewide package, and the local option. It could take a position of support for the House version of the local option, and express support for individual projects contained within the House and Senate versions. It could take a position of general support for a statewide package, and for a local option, without getting into which version of either it supported.

During the discussion, ED Dawson relayed to the Board conversations she had had with Mayors Priest of Federal Way and Mayor Lewis of Auburn. Mayor Priest stressed the importance to the local economy of passing a package this year. Mayor Lewis also noted the great importance of a transportation package to the regional economy, and the value of SCA weighing in on the issue. He cautioned against only picking out King County projects and expressing support for individual projects- it was important to stress the need for a statewide package. Dawson also noted that she had received an email from the City of Carnation indicating that the council did not see the direct benefit to its city of a package, and that the City had therefore not adopted a position of support.

Senator King's version: there are no local options; it separates cities from counties, and transit from roads; and cities would not be able to utilize funds for roads. President Law added that the funds from sales tax would solely go to transit. ED Dawson continued that there is a local options component for transit and that the funds currently being used for transit service would be used for rural roads. There would be no money for roads and no money for cities. ED Dawson commented on a conversation that she had with Federal Way Mayor Skip Priest who is in favor of the legislature passing some kind of transportation package. ED Dawson stated that the packages in the House versus the Senate include a different mix of projects that would receive funding. In the House version, Kenmore and Lake Forest Park projects would be funded; however in the Senate version, there is more funding for the Federal Way Triangle. ED Dawson stated that the option to take a position to urge the legislature to come together to express support and compromise, and to pass a statewide package. Pete Lewis is concerned if SCA only highlights the King County projects that it will look like SCA is not supportive of a statewide package. Chris Eggen asked for clarification that by jurisdictions, it is intended to mean counties. ED Dawson confirmed. ED Dawson suggested that congestion relief tax be considered. President Law stated that the PIC recommendation is on the agenda for consideration. ED Dawson added that the PIC was interested in allowing time in between the meetings of the PIC and the Board for comments. ED Dawson continued that the City of Carnation sent an email stating that they are not supportive of any package as there is no benefit for them.

President Law inquired about whether the PIC would take issue with the Board adopting a position that differed from the one recommended by the PIC. Dawson noted that at the PIC meeting, the PIC members were pleased that there was a week between the PIC meeting and the Board meeting. At the time of the PIC meeting, members did not have a lot of time to analyze the two packages and the differences to them, and the benefits to member cities. They

were supportive of having that week for cities to give feedback to the staff and Board, and of the Board possibly changing the position based on feedback and analysis.

Chris Eggen moved, seconded by David Baker, that the Sound Cities Association adopt a position of support for the 2013 transportation package authored by Representative Clibborn as approved by the House Transportation Committee.

David Johnston's questioned whether there was sufficient time to give feedback to the legislature. ED Dawson reported that Sammamish Councilmember Tom Vance brought this up at the PIC meeting as well. If the Board adopted a position, staff would work with the Board to send a letter to the legislature today.

Chris Eggen asked what the vote count was on the position at PIC. ED Dawson reported that North Bend voted no, and the remainder of cities voted yes.

Dawson gave the Board more background on the discussion that took place at the PIC meeting. She noted that Mayor Baker had expressed support at the PIC meeting for the House version of the package because of its increased emphasis on transit. At the PIC meeting, Mayor Hill had asked for additional detail about the two proposals. Given that at the time of the PIC meeting the Senate package had just been released, staff had not had as full an opportunity to give members a breakdown on the difference between the two statewide packages as had been done prior to the Board meeting. Mayor Talmas of Woodinville had expressed some concern about "picking sides" and expressing support for one version of the statewide package versus another. Mayor Hill of Algona had noted even though neither package benefits Algona significantly, he is supportive for the good of his neighbors. He was supportive of expressing general support for a statewide package.

Mayor Baker noted that the House version of the local option contained benefits for all cities. Mayor Larson inquired as to whether Kenmore had established a TBD. Mayor Baker confirmed that Kenmore had done so, and was collecting the \$20 car tab fee currently authorized under state law.

Mayor Baker remarked that he could not recall another occasion when so many SCA cities were in agreement on an issue with Seattle and King County. Baker read a quote from Representative Clibborn that was included in an article from *The News Tribune*, "He just ripped the heart out of things that were really important to King County and probably Pierce and Snohomish."

Don Gerend agreed. He noted disappointment with the fact that in the statewide proposal, only a small percentage of the gas tax would go to cities and counties.

Jamie Perry noted the importance of a local option that was balanced between funding for both roads and transit, and counties and cities. She noted that only the House version of the local option contained this balanced approach.

Jamie Perry moved, seconded by Chris Eggen, to amend the motion to state that SCA supports passage of a transportation package this year, including a local options component. Specifically, for local jurisdictions that have formed a Transportation Benefit District, expansion from \$20 to \$40 the vehicle license fee that may be enacted through public vote or councilmanic action; and the

option for counties to enact an up to 1.5% Motor Vehicle Excise Tax, and that in King County, 60% of revenues be allocated to transit, with 40% allocated to cities and the county (distributed based on population) for roads, bridges, and other critical transportation infrastructure needs.

The motion to amend passed with Mayor Baker voting no, the remainder of the Board voting yes.

In discussing the amended motion, Johnston noted that the message from SCA needs to be consistent: local options are needed, and we also recognize the need for transportation investment statewide. President Law stated that the amended motion retains consistency with the joint letter from King County, City of Seattle, and SCA. President Law continued that individual cities have been voicing their opinions, which is consistent with current discussion. He noted that SCA had been working at length on the local option component. By amending the motion to take a more general position of support for a statewide package, but a more specific position on the local option, the position would be within member cities' comfort zones.

Johnston agreed, and reiterated that great importance of the legislature passing a transportation package with local options this year.

Matt Larson stated that he will vote with the consensus as there is a desperate need to fund infrastructure in the state. He noted that his Council had not adopted a position of support for the package because there was little direct benefit to their individual city. But wearing his regional hat, Mayor Larson recognized the importance of a statewide package and local option to the state and region as a whole. ED Dawson expressed admiration for SCA members' willingness to look at the big picture, and the good of the region as a whole. President Law noted that this was not an easy decision for members to arrive at, and that while no one likes to take position in support of a tax increase, there is a real need for transportation funding. It is critical to our economic vitality as a region.

Mayor Baker reiterated support for the House version of the statewide package. He stated that he did not believe that the Senate version of the statewide package was consistent with policy positions adopted by SCA in the past. He stated that the Columbia River Crossing project needs to be addressed, and that he felt that the House version of the statewide package did a better job of addressing projects important to SCA cities and our region.

Perry stated that there was general support for an overall statewide package. SCA cities had come together around a specific position on local options.

The Board clarified that the position before them was to express support for the local option version that SCA cities had worked on during the session, and a more general position of support for a statewide package without favoring one version over another.

Baker sought clarification on the position with regard to support for transit. It was clarified that the local option that the Board would be expressing support for contained a provision for transit funding (60% of an up to 1.5% MVET).

President Law asked if there is any further discussion. Hearing none, he called for the question.

The motion as amended passed unanimously.

ED Dawson stated that she would work with President Law to draft a letter to legislative leaders in support of the position adopted by the Board. She noted that Don Gerend would be speaking about the SCA position at the Town Hall meeting.

10. There were no comments during for the good of the order portion of the meeting.

The meeting was adjourned at 11:59 a.m.