



SOUND CITIES ASSOCIATION

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SCA Board of Directors

DRAFT Minutes

June 28, 2017 10:30 AM

Redmond City Hall, Council Conference Room
15670 NE 85th Street, Redmond WA 98052

1. Call to Order

President David Baker called the meeting to order at 10:37 AM.

Members Present: Nancy Backus, Leanne Guier, Denis Law, Hank Margeson, Tola Marts, David Baker, Amy Walen, Debbie Tarry, Jim Ferrell

Members Absent: Will Ibershof, Dana Ralph, Catherine Stanford, Jeff Wagner

SCA Staff Present: Deanna Dawson, Caitlin Magee

2. Public Comment

Mayor Baker asked if any member of the public had any public comment. Seeing none, this portion of the agenda was closed.

3. Consent Agenda

Denis Law moved, seconded by Hank Margeson, to approve the consent agenda. The motion passed unanimously.

4. President's Report

President Baker gave a report on the recent Seattle Chamber Study Mission to San Francisco. He, along with Mayors Amy Walen and Denis Law, reported on lessons learned including information on San Francisco's homeless navigation centers. President Baker informed the Board about the need for repairs to the Ballard Locks, and an effort to secure funding from the Army Corps of Engineers to provide funding. The Board was supportive of this effort.

5. Executive Director's Report

Deanna Dawson gave an update on SCA staffing. Caitlin Magee was hired as the new Administrative Services Manager. SCA is also hiring for a new Policy Analyst. Dawson anticipates a hire in July.

- Dawson reported on the upcoming Affordable Housing Task Force, which is scheduled for a kick off meeting on July 14, 2017. She invited Board members to provide feedback

to share with SCA's representatives on the Task Force: Kenmore Mayor David Baker (North), Bellevue Mayor John Stokes (East), North Bend Mayor Ken Hearing (rural cities), and Renton Councilmember Ryan McIrvine (South). Jim Ferrell noted that Federal Way has considerable affordable housing. He noted concerns with rapid growth of low income housing units, and impacts on schools. Federal Way has a multi-family housing moratorium while the city reviews the issue, and considers revisions to school impact fees.

- Denis Law reported that Renton is becoming unaffordable, and work is being done in conjunction with the Renton Housing Authority.
- Debbie Tarry reported that Shoreline is in a similar situation to Renton, and that the city is trying to preserve affordable housing, including single family housing.
- Amy Walen reported on rising home prices in Kirkland, and challenges associated with being a city that is largely built out. She expressed interest in working with developers to find tools that will work. She also expressed concerns over a proposal to raise the sales tax.
- Nancy Backus noted that preservation of existing affordable housing is a top priority for Auburn. She reported on 1,000 new units of multi-family affordable housing being developed. She also expressed interest in options for affordable single-family homes. Like many other cities mentioned, Auburn is largely developed and looking at infill development. She would like to explore options around improving permitting, and expressed concerns around State requirements that are burdensome on developers.
- Hank Margeson reported on Redmond's existing inclusionary zoning code which requires that for developments of ten or more units, 10% must be affordable at 80% AMI. Redmond is considering adding a multi-family tax exemption in certain districts if 10% of additional units are developed as affordable at 60% AMI. He noted that different jurisdictions have different challenges, and a one-size fits all solution will not work.
- Leanne Guier noted that while Pacific is currently one of the more affordable housing areas in the County, home prices and rents are rapidly increasing and becoming less affordable.
- Tola Marts reported that Issaquah has identified workforce housing as being a need. Issaquah is also interested in exploring more Transit Oriented Development. The city currently has a building moratorium in place, while the city looks at how to ensure that codes are achieving the results the city wants.
- President Baker reported that Kenmore has a great need for affordable housing. 300 new "affordable" units were just developed, but they were affordable at 85% of AMI

which is essentially market rate in Kenmore. He would like to see more housing developed in Kenmore that is affordable at lower levels of income, including at 30% AMI.

Dawson reported on an effort (led by former Governor Chris Gregoire and Challenge Seattle, and businesses including Microsoft and Boeing) to improve the regional economic development system. A working group from Pierce, Snohomish, and King County is working to put together ideas, and Dawson represents SCA in the effort. Dawson reported on feedback from city economic development managers on the effort. Dawson sought feedback from the Board. The Board was supportive of the effort, noting the need for a better regional economic development delivery system. They expressed interest in moving to a regional model, and not having a King County only entity. Regional marketing and branding were priorities noted. The need to address the needs of all areas of the county and three county region, and all cities (not just Seattle) was noted. The Board wanted to ensure that representation in a new entity had representation from SCA cities. The needs of small cities were also noted. There was general support for a regional approach.

Dawson reported that Board leadership was scheduled to meet with the Seattle Times editorial board to discuss the interests of cities outside Seattle, but the meeting will need to be rescheduled.

Dawson reported on an upcoming feature from the EDC in their newsletter regarding SCA, and gave an update on the SCA IT project. She updated the Board on recent action by the King County Council regarding Community Health Engagement Locations (CHEL sites).

6. Finance Committee Report

Dawson provided the Finance Committee report. She noted that staff had updated to financial report since the June 19, 2017 meeting, and provided information on the report.

Denis Law moved, second by Amy Walen, to approve the May financial report and balance sheet. The motion passed unanimously.

Dawson reported that the approved SCA office remodel project is complete and final invoices are ready for approval.

Denis Law moved, second by Hank Margeson, to approve the expenses for the SCA office remodel project in the amount of \$10,413.87 to be paid out of undesignated reserves. The motion passed unanimously.

Dawson gave a report on the upcoming 2018 SCA budget and member assessments. The Board concurred with the advice from the Finance Committee to maintain existing policies on membership assessment and dues (based on population, times an assessment rate that is adjusted annually by the CPI-W for Seattle-Tacoma-Bremerton for June-June with a floor of 0% and a cap of 3%). The CPI-W numbers are anticipated to be released on July 14, 2017. The Board agreed that once numbers are known, staff should notify members of proposed rates for

2018. Approval of budget and assessments will happen at the SCA Annual Meeting on November 29, 2017.

Dawson reported on SCA policy regarding an audit being conducted every three years. The Finance Committee and Executive Committees recommended that due to staff transition, the organization should use the same firm that had been used in past audits, with funds coming from undesignated reserves.

Hank Margeson moved, seconded by Nancy Backus, to retain the firm of Paulsen, Meegard & Company to conduct an audit in 2018, and that the funds for said audit are to be drawn from undesignated reserves. The motion passed unanimously.

7. PIC Chair's Report

PIC Chair Tola Marts reported that PIC met on June 14, 2017. Topics included Veterans, Seniors and Human Services Levy. Marts noted PIC members expressed support for the levy, but cautioned that many are very concerned about voter fatigue with taxes, and concerns about what would happen if the levy were unsuccessful. PIC members also discussed need for funds to be distributed equitably, and that there were needs throughout the County. Dawson reported on actions at the Regional Policy Committee (RPC) and at County Council regarding the levy rate. The Board gave feedback on the proposed levy. Concerns were raised about impacts on homeowners, renters, and businesses. The need for transparency was noted by many. The Board expressed the need to see benefits throughout the County, while recognizing that some areas had greater needs and that not every jurisdiction would see an exact match between dollars paid into the levy, and dollars spent in the community. Some members expressed concerns with more than doubling the rate of the levy, and discussed the historic emphasis placed on veterans services in the levy. Specific comments included President Baker expressing strong support for the levy, and interest in ensuring that the levy was placed on the ballot and passed. He expressed concerns about the timing of getting the levy on the ballot, and urged RPC to work with Council to come to consensus. Amy Walen expressed support for the levy, but noted concerns with the impact on homeowners, renters, and businesses. Nancy Backus expressed support for the levy, and spoke to the need for transparency. Tola Marts noted strong support on Issaquah council for human services funding, and spoke to need to ensure funding is shared equitably, not just concentrated in a few geographic hot spots. Denis Law expressed support for the levy in Renton, and noted that whether there was a \$.10 or \$.12 cent rate, there was a need for transparency. Hank Margeson expressed concerns with raising the rate beyond \$.10. He also expressed concerns about the lack of an implementation plan, especially when adding seniors into what had historically been a veterans and human services levy. The Board noted that there were differences of opinion between cities as to what rate should be, but support for ensuring levy passed. Ensuring this would require balancing need for additional funding (needed throughout the county), with impacts on taxpayers, and clarity and transparency about this impact.

Marts also reported on other items on the June PIC agenda, including the Regional Transportation System Initiative. Feedback from PIC included noting that regional mobility is about more than simply funding roads.

8. City Managers Report

Debbie Tarry of Shoreline reported on the June City Managers meeting. Topics included the Veterans, Seniors and Human Services levy. Tarry noted that feedback from the SCA PIC and Board was consistent with the feedback given by City Managers. The group also discussed upcoming elections, and many retirements from city elected officials.

9. Discussion Items

The next networking event will be on July 19th in partnership with NLC First Tier Suburbs Council. A panel will discuss benefits of SCA to the region. Nancy Backus noted that in addition to providing benefit to guests from other parts of the country, this will be a good opportunity for SCA members that aren't on the Board and Committees to learn about SCA. David Baker feels that a benefit of being with NLC is interaction with other nationwide and others at NLC are intrigued by what we do with SCA. Amy Walen suggested informing the group about PIC, and other collaborations including the City Managers group. Hank Margeson suggested inviting one of our partners/sponsors to come talk about the benefit of being a regional associate member of SCA. Baker, Backus, and Walen agreed to serve on a panel. Dawson asked for suggestions for a RISE presentation. Walen suggested the Innovation Triangle.

Dawson provided an update on the legislative session, and anticipation that the operating budget would be passed by end of week. SCA will hold a legislative recap networking event on September 6, 2017.

Dawson encouraged members to attend the upcoming Chamber in-state study mission, and noted that the Chamber may be able to accommodate SCA Board members at a free or discounted rate.

The Board agreed to cancel the August Board meeting.

Dawson proposed holding caucus meetings and SCA Board elections on December 6, 2017 (South and South Valley) and December 7, 2017 (North and Snoqualmie Valley). The Board agreed with these dates.

The Board discussed Peter Kageyama as a possible Annual Meeting speaker, and agreed that his proposed rates were too high for the organization. President Baker will explore other options with Kageyama, and Dawson will look into alternate speakers.

The next PIC will be meeting on July 12 at 7:00 p.m. at Renton City Hall. The Board will meet in Kirkland on July 19, 2017 at 10:00 a.m. followed by a tour. The next Networking Event will be on July 19 at 5:30 p.m. in Renton.

11. For the Good of the Order

There were no additional items for the good of the order.

12. Adjourn

The meeting adjourned at 12:30 p.m.