

CITY OF LYNNWOOD
TRANSPORTATION BENEFIT DISTRICT BOARD SPECIAL MEETING MINUTES
July 8, 2015

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2 10. CALL TO ORDER – The July 8, 2015 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 Simmonds at 7:00 p.m.

5
6 20.

ROLL CALL

Board President Loren Simmonds
Board Vice President Sid Roberts
Board Member Van AuBuchon
Board Member Benjamin Goodwin (absent)
Board Member M. Christopher Boyer
Board Member Ruth Ross
Board Member Ian Cotton

OTHERS ATTENDING

Public Works Director Franz
Deputy PW Director Elekes
Project Manager David Mach
City Attorney Larson

Council Assistant Beth Morris

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9 Board President Simmonds read the Introductory Statement reviewing the formation and function
10 of the TBD and the purpose of the meeting.

11
12 30 APPROVAL OF MINUTES – JUNE 10, 2015 SPECIAL MEETING

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14 *Motion made by Board Member Boyer, seconded by Board Vice President Roberts, to*
15 *approve the minutes of the June 10, 2015 Special Meeting. Motion passed unanimously.*

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17 40. EXECUTIVE SESSION: POTENTIAL LITIGATION

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19 The Board recessed into Executive Session for 20 minutes from 7:05 until 7:25 to discuss
20 potential litigation.

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22 50. CITIZEN COMMENTS AND COMMUNICATIONS - None

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24 60. PUBLIC HEARING – TRANSPORTATION FUNDING STATUS AND NEEDS,
25 POTENTIAL FUNDING SOURCES AND NEXT STEPS FOR POTENTIAL FUNDING,
26 INCLUDING BUT NOT LIMITED TO OPTIONS FOR POSSIBLE BALLOT MEASURE
27 INCLUDING BUT NOT LIMITED TO IMPOSING A SALES AND USE TAX AND/OR
28 VEHICLE REGISTRATION FEE FUNDING OPTIONS

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30 Board President Simmonds opened the hearing at 7:26 p.m. and reviewed the purpose of the
31 hearing and the hearing procedures. He solicited any written materials. There were none.
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1 Staff Report:

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3 Public Works Director Bill Franz, Deputy Public Works Director Jeff Elekes, and Capital
4 Projects Engineer David Mach gave the staff report. Director Franz gave a PowerPoint
5 presentation regarding Transportation Funding as contained in the meeting packet. He
6 explained that citizens' concerns about transportation and traffic are among the highest cited
7 in surveys. He reviewed the status of Lynnwood's transportation system including street
8 maintenance, traffic signal operation, Operations and Maintenance, capital infrastructure
9 reinvestment programs, and pavement management. There is a yearly budget shortfall of
10 about \$150,000 for Operations and Maintenance. There is a large gap for the Pavement
11 Management Program annual needs. If pavement is not repaired when damage is minor it
12 gets progressively more and more costly to repair until very expensive full reconstruction is
13 necessary. There is also currently no funding for rebuilding the 60 existing traffic signals. It
14 is important to replace them on a yearly cycle so they don't all fail at once. Similarly there is
15 no budget for sidewalks and bike paths, but there is a need for about \$300,000 a year to keep
16 up with sidewalk maintenance. New projects, which are necessary to support the growth the
17 City will see under growth management, have a current funding of about \$2 million/year,
18 but the average annual need is about \$10 million. Director Franz summarized that the City is
19 falling dangerously behind with transportation funding with an annual shortfall of \$10-12
20 million per year. Falling behind has implications to safety, long-term financial sustainability,
21 aesthetics, economic development, and not being able to realize goals and vision. Potential
22 transportation funding sources for the TBD are license tab fees (0-\$100 with a public vote
23 required over \$20) and sales tax increase up to 0.2% with a public vote.

24
25 Project Manager Mach explained staff had prepared a resolution in the event that the TBD
26 Board was ready to move forward. They also prepared a potential explanatory statement
27 which allows for filling in relevant information.

28
29 Deputy Director Elekes stated he was amazed at the work the crews had completed this
30 summer. They are doing the best they can with the dollars they have. He then noted that the
31 City received a grant for a paving project on 184th Street but the geotechnical report suggests
32 that the outside lanes actually need to be completely reconstructed which will add \$600,000-
33 \$1 million to the project. This is an example of the high price of not keeping up with the
34 roads.

35
36 Public Testimony:

37
38 Ted Hikel, 3820 – 191st Place SW, Lynnwood, WA, stated that the Board has argued that
39 people who come into the City and use the roads need to pay their fair share. He stated that
40 the truth is that out of almost \$20 million the City collects in sales tax revenue each year,
41 more than \$10 million is paid by people who do not live in the City. This represents 20% of
42 the General Fund budget that is paid by non-residents. He stated that problem seems to be
43 how the City spends that \$10 million. Voters have said they do not want to pay a higher
44 sales tax. He suggested the City Council could decide it was appropriate to dedicate \$3
45 million of the \$10 million to repairing roads. This would mean the Council would have to
46 make difficult decisions about cutting other budgets. He urged the Board and Council to

1 prioritize and stop the tax-and-spend mentality. Roads, police, fire, and medical services
2 need to be funded out of the \$50 million first.

3
4 Maria Ambalada, 4515 – 176th Street SW, Lynnwood, WA, spoke on behalf of senior
5 citizens in Lynnwood and stated they are against new taxes. As an alternative, she suggested
6 setting up a council of neighborhoods which could address necessary projects. Board
7 President Simmonds expressed appreciation for what she was recommending and suggested
8 that, because of the complexity of the idea, she put it in writing so it could be studied more
9 thoroughly. Ms. Ambalada agreed.

10
11 George Hurst, 4027 – 184th Place SW, Lynnwood, WA, agreed that basic funding should
12 come out of a standard budget. He thinks it is not right that Public Works has to be
13 dependent on a public vote for funding. It is the City's responsibility to at least fully fund the
14 maintenance of roads. He suggested the Council needs to look at priorities in budgeting
15 before looking at other ways to fund things. He noted that the citizens' top three priorities
16 are police, fire, and roads. He believes these should be funded through the standard budget
17 and not be dependent on a public vote.

18
19 Ted Hikel, Chair of Citizens Rejecting Sales Tax Increases, 3820 – 191st Place SW,
20 Lynnwood, WA, pointed out that the citizens rejected the measure last year which would
21 have increased sales tax by .2%. If it would have passed Lynnwood would have had the
22 highest sales tax in the state. Lynnwood already receives almost \$20 million in sales tax
23 revenue. He suggested this does not make Lynnwood a business-friendly community as it
24 claims to be. He urged the City to look at the number of new vehicles in the City's parking
25 lot, the number of city employees who have been given raises beyond what is the norm, and
26 other expenditures before considering another tax increase. He stated that outsourcing the
27 fire department would give the Mayor and the Council an additional \$8 million a year. An
28 additional \$3 million sales tax would bring in \$11 million and would represent a 22%
29 increase in the General Fund spending. He asked how far the City is going to go with
30 outsourcing and raising taxes. His organization will oppose any attempt to raise taxes again
31 until the City faces the job of setting priorities with the \$50 million General Fund for roads,
32 police, fire, and medical services. He commented that raising sales tax hurts low income
33 people who are the most vulnerable people in the community.

34
35 Board Questions:

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37 Board Member AuBuchon asked staff if \$10 million a year over the next 20 years would be
38 sufficient to both catch up and to maintain the roads. Director Franz replied that without new
39 projects they would need \$5 million a year for to get caught up and to be able to be
40 sustainable. Board Member AuBuchon asked if \$5 million a year plus \$12 million would get
41 the City caught up and maintain. Director Franz indicated it would. There was discussion
42 about the damage buses cause to the roads and how Seattle is using more concrete than
43 asphalt. Director Franz explained this is something staff is looking into.

44
45 Seeing no further comments, the public hearing was closed at 8:22 p.m.

1 70. PRESENTATION, DISCUSSION, AND POSSIBLE FINAL ACTION OR OTHER
2 DISPOSITION ON RESOLUTION #7 AND OTHER VARIOUS DOCUMENTS AND
3 PROCEDURES ASSOCIATED WITH A BALLOT PROPOSITION TO IMPOSE A
4 SALES AND USE TAX AND/OR VEHICLE REGISTRATION FEE FUNDING OPTIONS
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6 Board Member Ross stated she feels this is very premature. She commented that they have
7 no idea how much revenue will come from the new Costco which is scheduled to open soon.
8 Additionally, there is also the possibility of going with the Regional Fire Authority. Due to
9 the fact that some things are still unknown, she thinks they should wait and see what
10 happens. She expressed concern about raising the sales tax any more.

11
12 Board Member Cotton agreed with Board Member Ross and suggested there might be some
13 options they could explore in the meantime. He agrees that the sales tax option is not one
14 they should pursue at this time. He discussed the relationship between the Board and the
15 Council and recommended that the TBD Board encourage the Mayor and City Council to
16 prioritize roads in the budget. He asked if a resolution to this effect might be appropriate.
17

18 Board Vice President Roberts expressed appreciation for the previous comments, but asked
19 how realistic it was to expect the Council to cut \$10 million out of the budget when they
20 can't even balance it. He asked his peers to recall the difficulties the Council faced in
21 balancing the last budget. He commented that most of the budget is comprised of labor
22 costs. He feels that the money for transportation needs to come from several different pots.
23 He emphasized that there is no way they could find \$10 million in the budget without laying
24 off a whole bunch of people. He also doesn't like to raise taxes, but noted Community
25 Transit is expected to ask for .3%. He contested the statements made earlier that voters said
26 they didn't want more sales tax. He clarified that what the voters said was they didn't want a
27 .2% increase. He wondered if .1% might pass. He emphasized that the Board needs to be on
28 the same page on this matter. He commented that if the Community Transit measure passes
29 the City will have to forget about the sales tax increase because anything over 10% would be
30 out of the question. He stated he would reluctantly support waiting on this.
31

32 Board Member Boyer commented on the fact there is no income tax in Washington State
33 which unfortunately leaves cities to rely on sales tax increases as the only means in their
34 control to increase revenue. He expressed concern about relying on the idea that Costco is
35 going to open and start producing revenue. He thinks they have waited long enough to deal
36 with this issue, and the longer they wait the more expensive it is going to be. He agreed with
37 Board Vice President Roberts that what the voters rejected last year and what the Board is
38 discussing tonight are two different things. He expressed concern about the assumption that
39 the Council could come up with between \$4 and \$12 million strictly for roads from the
40 current budget. He spoke in support of moving forward with the ballot proposition.
41

42 Board Member AuBuchon said what he had referred to was getting \$12 million through a
43 levy LID lift and reprioritizing the budget in September to guarantee there are sufficient
44 funds in the General Fund to maintain roads.
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46 Board President Simmonds stated he wasn't happy with the options left to them. He
47 discussed potential scenarios related to this and noted that if Community Transit goes out for

1 the .3% increase the City will be faced with a sales tax rate of close to 10% but won't
2 actually be getting any more of it. He stated he is willing to table this for an interim period
3 of time, but if Community Transit fails and the City doesn't have another solution, they may
4 need to consider a special election. He asked City Attorney Larson what their options were
5 related to postponing this. City Attorney Larson replied that if no one makes a motion to
6 adopt a resolution, by default it is postponed until the next time a meeting is set to discuss
7 the matter. The next regular meeting is set for October 12.

8
9 Board President Simmonds asked Board Vice President Roberts to share comments that
10 occurred at the Community Transit Board Meeting. Board Vice President Roberts
11 commented that the legislature made it clear to Community Transit that if they got the
12 authority to go out it would be only at a regular election and not a special election. It appears
13 that they will be going for the .3%, but he will be surprised if it passes. He commented that
14 Community Transit's only source of revenue is sales tax.

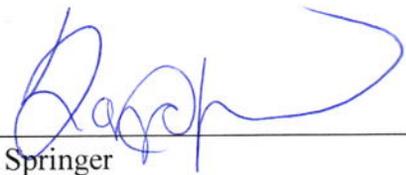
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16 80. PROHIBITION ON USE OF PUBLIC FACILITIES TO SUPPORT OR OPPOSE BALLOT
17 MEASURE – Not discussed

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19 ADJOURNMENT

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21 The meeting was adjourned at 8:52 p.m.

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24 Loren Simmonds, TBD Board President

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27 _____

28 Sonja Springer

29 Finance Director, Acting as Board Treasurer