

CITY OF LYNNWOOD
TRANSPORTATION BENEFIT DISTRICT BOARD SPECIAL MEETING MINUTES
November 18, 2015

1
2 10. CALL TO ORDER – The November 18, 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
Board Member M. Christopher Boyer
Board Member Ruth Ross
Board Member Ian Cotton

OTHERS ATTENDING

Public Works Director Bill Franz
Deputy PW Director Elekes
Project Manager David Mach
Budget Coordinator Moore
Finance Director Springer
City Attorney Larson

Council Assistant Beth Morris

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8
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 – JULY 8, 2015 SPECIAL MEETING

13
14 *Motion made by Board Member Boyer, seconded by Board Member Ross, to approve the*
15 *minutes of the July 8, 2015 Special Meeting. Motion passed unanimously.*

16
17 40. VOUCHER APPROVAL

18
19 *Motion made by Board President Simmonds, seconded by Board Member Cotton, to*
20 *approve the claim in the amount of \$25,412.90. Motion passed unanimously.*

21
22 50. CITIZEN COMMENTS AND COMMUNICATIONS

23
24 Ted Hikel, 3820 – 191st Place SW, Lynnwood, WA, expressed concern that the agenda for
25 this meeting was not posted on the city website until Monday, November 16. There was no
26 way the public could know that the TBD is considering another ballot measure or a fee hike
27 until two days ago. Also, the notice of this discussion does not mention a public hearing. He
28 stated that no ballot proposition can appear before February of 2016 since there will be a
29 major change in the composition of the board on January 1. He recommended any decision
30 be instituted by the new board. He expressed concern that there has been no discussion of
31 the changes in legislation made by the state legislature controlling the authority of the TBD.
32 He thinks the Board should first have a discussion on the ramification of those changes. It
33 was stated at a previous meeting that an increase in sales tax would allow out-of-town users
34 of streets to “pay their fair share.” He noted that more than half of the \$20 million in sales

1 tax already comes from out-of-towners. This represents 20% of the annual General Fund
2 budget. This appears to be more than their fair share. Mr. Hikel asserted that the real
3 problem is that the Mayor's Budget shortchanged the road budget along with the fire
4 department and police department budgets. He urged the Council, meeting later tonight to
5 address the Mid-Biennium Budget Review, to correct the failure to fund road maintenance
6 by cutting less necessary expenditures to fund critical needs like road maintenance, police,
7 and fire.

8
9 60. PRESENTATION, DISCUSSION, AND APPROVAL OF THE 2014 TBD ANNUAL
10 REPORT

11
12 Staff Presentation: Resident Capital Project Engineer David Mach made the staff
13 presentation on the 2014 Annual Report as contained in the TBD Board packet starting on
14 page 60-2 through 60-7.

15
16 Board Member Cotton referred to page 60-4 and asked about the investment interests.
17 Finance Director Springer explained that in 2014 the City of Lynnwood invested all of its
18 investments into the Local Government Investment Pool (LGIP) which is a very safe
19 investment with the State of Washington.

20
21 *Motion made by Board President Simmonds, seconded by Board Member Roberts, to*
22 *approve the 2014 Annual Report as written. Motion passed unanimously.*

23
24 70. ORDINANCE #9 – 2016 BUDGET

25
26 A. Public Hearing

27
28 Board President Simmonds introduced the hearing, reviewed the procedure and order
29 of speaking.

30
31 Staff Presentation: Resident Capital Project Engineer David Mach made the staff
32 report. He explained that the proposed ordinance would enact the TBD Budget for the
33 year ending December 31, 2016. He reviewed the summary table on page 70A-4. This
34 was created by reviewing the most recent 12 months of revenue and general expenses
35 and forecasting that out to the upcoming year. Additionally, there are two proposed
36 transportation improvement projects. Street Fund 111 which matches up with the
37 City's Biennial Budget and the Overlay Program Fund 311, which would be used for
38 the project around the mall (184th Street) and Alderwood Mall Parkway heading down
39 the hill from Target. Director Franz added that these funds will help match a federal
40 grant that the City received for the 184th Street project in front of the mall.

41
42 Written Materials: None

43
44 Public Testimony:

45
46 Ted Hikel, 3820 – 191st Place SW, Lynnwood, WA, commented that the City has \$2.9
47 million excess revenue as shown on the 1st Quarter Budget Report. He recommended

1 moving \$1 million out of the General Fund into road overlays as this is one of the
2 most critical expenses the City has.

3
4 Board Comments/Questions:

5
6 Board Member Boyer noted that in the September 2015 Financial Summary of the 3rd
7 Quarter which states that, "In June 2015 the City began accruing sales tax and
8 property tax revenues for the month the revenue was earned, not received. As a result
9 the 2015 revenues are higher than the same period in 2015 when cash basis reporting
10 was used." He explained that the "\$2.9 million excess" referred to by Mr. Hikel is not
11 actually there, but simply represents a difference in accounting. By the end of the
12 fiscal year, that bubble will have been absorbed back into the body of the revenue
13 numbers.

14
15 Mr. Hikel replied by referring to the big downturn when departments had to tighten
16 their belts and really buckle down to make sure they got through the year. He noted
17 that on last year's ending budget balance departments did not spend \$3, 4, or even 5
18 million in that final month of December, the last month of the biennium. They ended
19 up spending \$7 million because, he believes, they went out and spent the excess
20 money in their budgets.

21
22 Board Member Simmonds thanked them for their comments and noted this was not a
23 debate session.

24
25 Board Member Roberts asked Finance Director Springer if she concurred with Board
26 Member Boyer's comments. She indicated she did.

27
28 Board Member Cotton asked about looking at holding some of the investment money
29 in case they want to look at other investment strategies. Board President Simmonds
30 indicated that question should be raised at the next meeting.

31
32 Seeing no further public comments, the public testimony portion of the hearing was
33 closed at 7:26 p.m.

34
35 B. Consideration, discussion, and possible action on said Ordinance

36
37 *Motion made by Board Member Boyer, seconded by Board Member Ross, to adopt*
38 *City of Lynnwood Transportation Benefit District Ordinance No. 9, "AN*
39 *ORDINANCE OF THE CITY OF LYNNWOOD, WASHINGTON,*
40 *TRANSPORTATION BENEFIT DISTRICT ADOPTING A ONE YEAR BUDGET FOR*
41 *THE CITY OF LYNNWOOD, WASHINGTON, TRANSPORTATION BENEFIT*
42 *DISTRICT FOR THE YEAR ENDING DECEMBER 31, 2016; AND PROVIDING*
43 *FOR AN EFFECTIVE DATE, SEVERABILITY, AND SUMMARY PUBLICATION."*
44 *Upon a roll call vote, the motion passed unanimously (7-0).*
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1
2 80. PRESENTATION, DISCUSSION AND POSSIBLE FINAL ACTION OR OTHER
3 DISPOSITION: TRANSPORTATION FUNDING STATUS AND NEEDS, POTENTIAL
4 FUNDING SOURCES AND NEXT STEPS FOR POTENTIAL FUNDING, INCLUDING
5 BUT NOT LIMITED TO OPTIONS FOR POSSIBLE BALLOT MEASURE.

- 6 • Possible motion relating to potential ballot measure resolution for increased sales tax
7 and/or increased or decreased vehicle registration fee funding options
8

9 Director Franz commended the Board for its thoughtful work in considering the needs of the
10 transportation system in the City of Lynnwood and looking at potential ways to put
11 resources to that. He recalled that the Board had run a ballot measure in 2014 which was
12 defeated, but would have increased sales tax in the City to be used toward transportation. In
13 2015 the Board and staff have discussed next steps and possibilities in the future with regard
14 to funding. In mid-summer it became apparent that Community Transit was going to run a
15 ballot measure to increase sales tax for an increase of .3%, and it appears that has passed. He
16 then briefly reviewed potential funding options available to the TBD as contained in the
17 table on page 80-1. He asked if the Board wanted to wait until the first regularly scheduled
18 meeting of 2016 or set an earlier meeting date.
19

20 Board President Simmonds recommended forgoing any discussion about this tonight. He
21 also recommended having a Special TBD Board meeting in the month of February. He noted
22 the Board would need to determine who would be the Chair if they continue to function in
23 the same way because that person works with the Public Works Department on a regular
24 basis. He added that the recent changes implemented by the State need to be part of the
25 discussion at the first meeting as well. City Attorney Larson concurred and stated that staff
26 has already asked her to be prepared to speak at the first meeting next year about the changes
27 in the law. There will be the option for the City Council to assume the duties of the TBD
28 Board. Also, the license fee authority has gone up to \$40.
29

30 Board Member Boyer concurred that given the rather large turnover on the Board it would
31 be more appropriate to wait until after January to have further discussions.
32

33 Board Member AuBuchon stated that it should be up to the new Board to schedule their
34 meetings, not this Board.
35

36 Director Franz pointed out that a Board President is necessary to schedule a special meeting.
37 Without either the Board doing it or the Board President to do it, they would have no choice
38 but to wait until March.
39

40 Board President Simmonds recommended scheduling the date noting that the new Board
41 could always cancel or reschedule the meeting if so desired.
42

43 90. SCHEDULING FOR POTENTIAL UPCOMING SPECIAL MEETINGS.
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45 *Motion made by Board Member Boyer, seconded by Board Member Cotton, to schedule a*
46 *Special TBD Board Meeting for Wednesday, February 17, 2016 at 7:00 p.m. preceding the*
47 *Work Session.*

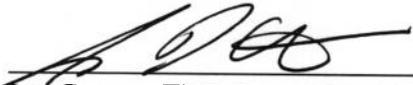
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2 City Attorney Larson stated she would be out of town that week, but would send one of her
3 colleagues to brief the Board at the Special Meeting.
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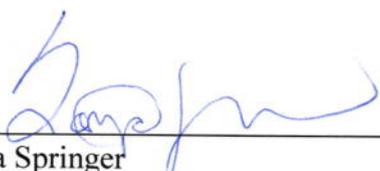
5 *Motion passed 6-1 with Board Member AuBuchon voting against the motion.*
6

7 100. ADJOURNMENT
8

9 *Motion made by Board Member Boyer, seconded by Board Member Ross, to adjourn the*
10 *meeting at 7:39 p.m. Motion passed unanimously.*
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12 The meeting was adjourned at 7:39 p.m.
13

14 
15 _____
16 Ian Cotton, TBD Board President

17 
18 _____
19 Sonja Springer
20 Finance Director, Acting as Board Treasurer
21