

CITY OF LYNNWOOD
TRANSPORTATION BENEFIT DISTRICT BOARD SPECIAL MEETING MINUTES
May 11, 2015

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2 10. CALL TO ORDER – The May 11, 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 6:00 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 Franz
Deputy PW Director Elekes
Project Manager David Mach
Council Assistant Beth Morris
City Attorney Larson

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8
9 Board President Simmonds read the Introductory Statement reviewing the formation and
10 function of the TBD and the purpose of the meeting.

11
12 30 APPROVAL OF MINUTES – March 9, 2015 Regular Meeting

13
14 *Motion made by Board Vice President Roberts, seconded by Board Member Ross, to*
15 *approve the minutes of the March 9, 2015 Regular TBD Meeting as presented. Motion*
16 *passed unanimously (7-0).*

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18 40. CITIZEN COMMENTS AND COMMUNICATIONS

19
20 Ted Hikel, 3820 – 191st Place SW, Lynnwood, WA 98036, recommended more open
21 communication to the public on any action the TBD Board might be taking. He suggested
22 the recordings of these meetings be put on the City of Lynnwood website along with the
23 minutes and the agendas for the TBD Board meetings. He also recommended putting notices
24 in utility bills when the TBD Board takes any action that might affect large portions of the
25 City.

26
27 50. PRESENTATION, DISCUSSION AND POSSIBLE FINAL ACTION OR OTHER
28 DISPOSITION: TRANSPORTATION FUNDING STATUS AND NEEDS, POTENTIAL
29 FUNDING SOURCES AND NEXT STEPS FOR POTENTIAL FUNDING, INCLUDING
30 BUT NOT LIMITED TO OPTIONS FOR POSSIBLE BALLOT MEASURE

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

33
34 Director Franz referred to the chart of Potential Transportation Funding Sources on page 50-
35 3 and 50-4. He stated that staff took Board Member Boyer's comments to heart and looked
36 for a more progressive/less regressive way to fund this, but weren't too successful. He stated

1 that the menu of choices is pretty limited and many options on the chart probably aren't even
2 realistic. He then noted that the measure in Olympia to allow up to \$50
3 councilmatic/boardmatic tab fees is still alive. It also appears that Community Transit will
4 be able to go for as much as 0.3% increase in sales tax.

5
6 Project Manager Mach reviewed the table on pages 50.3 - 50.4 of the meeting packet
7 outlining funding options for transportation projects.

8
9 Discussion:

10
11 Board President Simmonds solicited comments on page 50.3 –*Potential Transportation*
12 *Funding Sources*.

13
14 Board Member Ross referred to General Utility Taxes and asked how that is different from
15 what the City currently does. Director Franz replied that the City has the ability to levy taxes
16 on both city and non-city utilities. Project Manager Mach noted that although there is
17 currently a utility tax in the City, it just goes into the General Fund. Board Member Ross
18 asked if a utility tax could be used to repay the loan. City Attorney Larson said she wasn't
19 aware of any restrictions which would prohibit that.

20
21 Board Member Boyer thanked staff for doing the extra research on funding options. He
22 commented that B&O taxes might be something to look into before the next biennial
23 budgeting process. He asked Board President Simmonds to relay that to the Council
24 President.

25
26 Board President Simmonds solicited comments on page 50.4 – *Potential Transportation*
27 *Funding Source (Continued)*.

28
29 Board Member Boyer noted these seem to be items not within the City's control or that are
30 incredibly volatile.

31
32 Board Vice President Roberts said he wasn't initially supportive of considering the B&O
33 tax, but the idea of swapping it out for a business license fee might be something to
34 consider. He expressed concern about taxing Lynnwood citizens more than the people who
35 actually use the roads. He would like to find a way to share the burden equitably. He thinks
36 the solution will end up being multi-faceted.

37
38 Board Member Goodwin asked about the General Obligation Bonds. Director Franz
39 explained that is the bond capacity that they have talked about with regard to the Wenatchee
40 decision. He added that it is questionable whether the City even has any bond capacity at this
41 time.

42
43 Board Member Cotton commended staff for their hard work looking for funding options. He
44 referred to page 50.3, line 11, *Street Utility*, and asked about the status of this. Director
45 Franz replied it would have to come through the state legislature, and there is no talk of it at
46 this time.

1 Board President Simmonds thought he recalled that Seattle started to enact a street utility,
2 but it was declared illegal. City Attorney Larson also recalled that it had been determined
3 not to be legal in some city that tried to enact it, but she didn't remember which city. She
4 explained that it was likened to a property tax that is not imposed uniformly based on the
5 value of the property.

6
7 Board Member AuBuchon commented that \$10-15 million seems like it would go a long
8 way to at least catch up. Deputy Public Works Director Elekes replied it depends what the
9 money would be spent on. For paving, \$3.5-4 million annually is needed for 12-24 years in a
10 row to catch up. For capital projects, 36th Avenue needs \$10 million; 196th Street needs \$14
11 million; Poplar Way needs \$35 million; etc. Public Works Director Franz added that 196th
12 Street and Poplar Way have received design grants through the federal grant process. He is
13 confident that if there is a local match available it could be used as leverage to get more
14 grants.

15
16 Board Vice President Roberts recommended that when the City gets a permanent finance
17 director one of the first things that needs to be done is a calculation of what the City's bond
18 capacity actually is.

19
20 Board President Simmonds referred to a recent meeting where Patrice Harding spoke about
21 ST3. He was discouraged by the discussion because Community Transit is pushing hard to
22 be able to do it and is talking about a 0.3 sales tax increase. He commented that if such a
23 ballot measure was submitted, the number of people voting on it would be substantially
24 greater than just the City of Lynnwood. He also noted that Sound Transit's game plan is to
25 go for a sales tax increase, property tax, and an increase on car tax. He expressed concern
26 about the impact of all of this on the TBD.

27
28 Board Member Boyer urged the Board not to over-strategize. He commented that the most
29 responsible thing they can do is to go again to the citizens of Lynnwood with the
30 transportation needs. He stated that it is going to take about \$4 million a year to get the roads
31 caught up and keep them that way. He suggested considering swapping a 0.2% sales tax
32 increase for the \$20 vehicle tab fee.

33
34 Board Vice President Roberts stated that Community Transit went out in 2001 for 0.3% and
35 got it. They marketed it as *Curb the Congestion*. Now they are at the legislature asking for a
36 local option to go up to 0.3% in order to do their second Swift line. Unfortunately that will
37 be a harder sell for them. He remarked that this is an off-year election, which may impact the
38 results. The legislature has made it clear to Community Transit that they won't support an
39 off-year or special election. This would allow the TBD to come back in February or April in
40 a special election. He thinks that waiting and watching what other jurisdictions do would be
41 insightful.

42
43 Board Member Cotton agreed that the City needs to do something in order to get caught up.
44 He commented that the TBD may have been too ambitious with the request at the last
45 election. He requested information on high, medium, and low options which wouldn't get
46 the full \$4 million, but could get a portion of it. Later they could look at some of the other
47 options to fill in the gap.

1
2 Board Member Ross expressed concern that all the sales tax increases that people will be
3 able to stomach will go to someone else. She referred to how much the City already
4 subsidizes transportation at Community Transit and Sound Transit and how much more they
5 are trying to get. She encouraged the Board to support this idea in order to keep citizens'
6 dollars within the community. She suggested considering a 0.15% sales tax increase minus
7 the \$20 tab fee which might seem more reasonable to people.

8
9 Board Member Boyer discussed the possibility of asking for a sales tax increase, but giving
10 back the tab fee because sales tax spreads the burden of taking care of the roads to the
11 people who use them and don't live in Lynnwood. City Attorney Larson commented that the
12 \$20 tab fee is something that is within the Board's discretion, not necessarily the voters. She
13 stated she could research the issue of authority for the possibility of a ballot measure related
14 to swapping the tab fee for a sales tax increase.

15
16 Board Vice President Roberts said he likes the idea in principle, but expressed concern that
17 if the Board were to reduce the tabs one of the other groups would immediately go after that
18 money. He recommended instead they don't try to go for too much sales tax increase. By
19 getting a little here and a little there they can start getting the roads back in shape.

20
21 Board Member Goodwin said he likes the idea of spreading the burden instead of having it
22 all on Lynnwood citizens. He expressed concern that if they don't get enough funding to
23 complete the projects they need to do it would put the road maintenance even further behind.

24
25 Board Member AuBuchon commented that back in the 70's streets were funded at a rate of
26 13% of the General Fund, whereas today it is around 4% of the General Fund. He stated that
27 the City needs to start looking at where the money in the General Fund is going. Also, the
28 amount they should be dedicating to roads is probably somewhere between 4% and 13%.

29
30 Board President Simmonds noted that the date for submitting a ballot measure is August 4.
31 Project Manager Mach noted that staff could come back with a possible draft ballot measure
32 for review and discussion as late as July if desired by the Board. Board President Simmonds
33 suggested that staff put together a range of options for the Board to consider at a next
34 meeting.

35
36 Board Member AuBuchon asked if it is possible to put together a ballot measure without a
37 public hearing. City Attorney Larson replied that a public hearing is not required by statute
38 in order to pass a resolution submitting the ballot measure to vote.

39
40 *Motion made by Board Member Cotton, seconded by Board Member AuBuchon, to hold a*
41 *special meeting on Thursday, June 4, 2015 at 7:00 p.m. in the Council Chambers to review*
42 *the City Attorney's research regarding the legalities of swapping out license fees and sales*
43 *taxes and to hear from staff on several options for funding including a low, medium, and*
44 *high option. Motion passed.*
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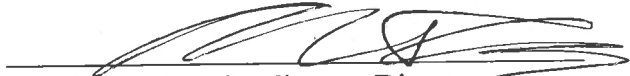
60 ADJOURNMENT

Board President Simmonds announced that a Special TBD Board Meeting would be held on June 4, 2015 at 7:00 p.m.

The meeting was adjourned at 6:58 p.m.



Loren Simmonds, TBD Board President



Art Ceniza, Interim Finance Director