

CITY OF LYNNWOOD
TRANSPORTATION BENEFIT DISTRICT BOARD SPECIAL MEETING MINUTES
February 17, 2016

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2 10. CALL TO ORDER – The February 17, 2016 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 Member Boyer at 7:00 p.m.
5

6 20.

ROLL CALL

Board Member M. Christopher Boyer
Board Member Benjamin Goodwin (Excused)
Board Member Ian Cotton
Board Member Ruth Ross
Board Member Shannon Sessions
Board Member Shirley Sutton
Board Member George Hurst

OTHERS ATTENDING

Mayor Nicola Smith
Assistant City Administrator Ceniza
Finance Director Springer
Accounting Manager Brown
City Attorney Reitan

Public Works Director Bill Franz
Deputy PW Directors Elekes
Resident Capital Project Engineer Mach
Council Assistant Beth Morris

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9 Board Member Boyer explained that Board Member Goodwin was at the emergency room
10 with his wife who was ill.

11
12 *Motion made by Board Member Boyer, seconded by Board Member Sutton, to excuse the*
13 *absence of Board Member Goodwin. Motion passed unanimously.*
14

15 30 ELECTION OF BOARD OFFICERS

16
17 *Motion made by Board Member Boyer, seconded by Board Member Ross, to nominate Ian*
18 *Cotton as Board President. Motion passed unanimously.*
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20 *Motion made by Board Member Boyer, seconded by Board Member Ross, to nominate*
21 *Benjamin Goodwin as Board Vice President. Motion passed unanimously.*
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23 40. APPROVAL OF MINUTES – NOVEMBER 18, 2015 SPECIAL MEETING

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25 *Motion made by Board Member Ross, seconded by Board Member Boyer, to approve the*
26 *minutes of the November 18, 2015 Special Meeting as presented. Motion passed*
27 *unanimously.*
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1 50. CITIZEN COMMENTS AND COMMUNICATIONS

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3 Ted Hikel, 3820 – 191st Place SW, Lynnwood, WA 98036, expressed concern about
4 inadequate noticing for this meeting. He urged greater outreach and a public hearing before
5 any decision about raising taxes is made. He spoke in support of dissolving the TBD Board
6 as now provided for by the State. He spoke in support of Public Works' request for more
7 funding for critical roads needs as opposed to providing more funding to the School District.
8

9 60. PRESENTATION, DISCUSSION AND POSSIBLE ACTION OR OTHER DISPOSITION:

- 10 • Transportation Funding Status and Needs

11
12 Public Works Director Bill Franz reviewed the City's Vision Statement regarding the
13 importance of investing in efficient, integrated local and regional transportation systems.
14 Citizens have expressed the importance of transportation as one of the highest areas of
15 concern. He explained that the three areas of transportation needs are Routine
16 Maintenance & Operations; Capital Infrastructure Reinvestment; and Capital
17 Infrastructure Investment Projects. He discussed the Street Fund responsibilities and
18 noted there are a total of 8.8 FTEs in the Street Crew. Maintenance & Operations covers
19 the surface needs of the streets such as sweeping, cleaning, pothole filling, bulb
20 replacement. Ideally, the biennial budget would be about \$4.6 million; the existing budget
21 is \$4.2 million. Staff continues to work on efficiencies and is making progress in that
22 area. He reviewed the sources of the \$4.2 million, noting that \$331,740 came from TBD
23 funds. Ideally, staff would like to not spend any TBD money on Operations &
24 Maintenance.
25

26 Deputy PW Directors Elekes explained that last summer the City did an incredible
27 amount of button replacement. He congratulated the crews for what they were able to
28 accomplish with limited dollars. He then explained that Capital Infrastructure
29 Reinvestment is the actual replacement of components of the infrastructure that wear out
30 over time such as pavement overlays, replacement of signal poles, and replacement of
31 sidewalk panels. He discussed the Pavement Management program and remedies. With
32 the current funding of \$614,000/year the City is able to do about .35 miles a year in
33 pavement overlays which is significantly less than the historical average. At that rate it
34 would take hundreds of years to repave the City. He distributed and discussed a handout
35 which showed the City's paving cycle and outlined a possible pavement plan for
36 implementation. Staff estimates an actual need of \$7.5 to 8 million per biennium or more.
37 Lynnwood has 58 traffic signals ranging in age from a year old to over 40 years old.
38 Analysis has been done to identify ongoing replacement needs of various components.
39 The analysis has shown a need of roughly \$250,000/year for signal rebuilds. Currently
40 there is no budget for this. Many of the City's sidewalks were built in the early 60's and
41 are over 50 years old. Options for maintaining/replacing include grinding, replacement
42 with asphalt, and replacement with concrete. Analysis has identified a need for \$600,000
43 per biennium. There is no funding in the current budget for this. The outstanding policy
44 issue is who is responsible for maintenance of sidewalks – the City or adjacent property
45 owner? In total the analyzed biennial need is over \$13 million, but less than half of that is
46 currently funded.
47

1 Public Works Director Franz then reviewed Capital Infrastructure Investment. This is a
2 long list of transportation projects identified to meet the growth demands and achieve the
3 City's vision and goals. The need is about \$18 million on top of all the other
4 transportation projects. It includes projects such as the Poplar Bridge, 36th Avenue West,
5 City Center grid streets, and various traffic signals and roundabouts. He summarized that
6 the City is falling dangerously behind with implications to safety, economic development,
7 long-term financial sustainability, aesthetics, meeting capacity needs of the future, and
8 achieving the City's vision.
9

- 10 • Potential Funding Sources and Next Steps for Potential Funding, including but not
11 Limited to Options for Possible Ballot Measure

12
13 Resident Capital Project Engineer David Mach reviewed the existing funding and
14 potential funding sources as outlined in the PowerPoint handout. He explained that the
15 options concerning the TBD Board are primarily the license tab fee and the sales tax
16 increase (options listed in the table on page 60-1 of the packet). Any other funding
17 options available to the City would be addressed by the Council.
18

19 Board Member Hurst commented that the City's soon-to-be sales tax rate of 9.8% (as a
20 result of Community Transit) is the highest in the state. He didn't think anything above
21 that would be approved. He asked if there is any way to get funds out of Community
22 Transit or Sound Transit because of their impact on the wear-and-tear on the roads.
23 Director Franz replied that Community Transit indicated they would provide support, but
24 not financial support. However, the city streets may get so bad that they may be willing to
25 help with funding. Deputy Director Elekes commented that there are certain mitigations
26 that the City can ask for it if it is tied to Sound Transit's redevelopment, but they don't
27 have to provide a traffic impact fee because they are a transit agency. Director Franz
28 commented that Sound Transit will most likely do some trail improvements.
29

30 Board Member Sessions asked about the funding gap. Deputy Director Elekes explained
31 it is \$8 to 10 million for reinvestment in the existing system, with no new projects. Board
32 Member Sessions said she has always been in favor of the sales tax method because it
33 spreads the cost of paying for the roads out to everyone who uses Lynnwood's roads as
34 opposed to just Lynnwood residents. She asked what other options, besides the sales tax,
35 would spread the cost out to people who come and use the City. Deputy Director Elekes
36 commented that business and license type fees would impact the people who use the
37 businesses. Secondary impact taxes like B&O might also do that. Councilmember
38 Sessions said she wasn't currently in support of the B&O tax, but wondered if B&O tax
39 dollars could be specifically earmarked for the roads. Deputy Director Elekes replied he
40 wasn't sure. Board Member Sessions asked why they would even bother with a B&O tax
41 if it could possibly be used for something else. Director Mach explained earmarking the
42 funds is ideal, but sometimes it's not legally feasible. Director Franz recommended these
43 concepts be included in the Budgeting for Outcomes discussions this year. He commented
44 that part of the problem with transportation funding is that it hasn't been viewed as a part
45 of the General Fund issue. Resident Capital Project Engineer Mach added that traffic
46 impact fees are another fee that sometimes affects users of the city as opposed to just
47 residents. He stressed that the major funding source for the General Fund is sales tax.

1
2 Board Member Sutton commented that a number of people come into the City using the
3 ferry system. She asked if there is a way to get funding from the state system. Director
4 Franz commented that the state keeps up the pavement on 196th, a portion of 44th, and
5 Highway 99, but they aren't willing or able to pay for other aspects of transportation
6 funding. Deputy Director Elekes explained that the State funded some of the
7 improvements along I-5 that benefit Lynnwood like the braided ramp project. The State
8 partners on some projects such as the 196th/I-5 Interchange project. Director Franz
9 commented that multi-agency partnerships will likely occur when something new is built,
10 such as the Costco project, not for ongoing costs.

11
12 *The Board recessed from 8:32 to 8:42 p.m.*

13
14 Board Member Sutton asked if there have been any claims for property damage or
15 injuries due to the roads' state of disrepair. Director Franz replied there is a steady stream
16 of pothole claims and some major injury claims due to other issues. It is a valid concern.
17

18 Board Member Sessions asked if the TBD Board had the opportunity to pay for the
19 funding needs through the sales tax last year. Deputy Director Elekes explained a couple
20 years ago the Board took on the desire to put out a public vote, so they spent almost a
21 year on a public outreach program including surveys that suggested it had great support
22 for increasing. When the vote eventually failed, the Board reassessed whether they should
23 go out again and if so, whether they should change the amount. As they got closer to the
24 fall election, they heard that Community Transit was putting out a .3 ballot measure. The
25 Board elected to wait and see what the outcome of that vote would be before putting the
26 City's measure on the ballot. Community Transit's ballot measure passed, and the City
27 did not put one out again. Board Member Sessions asked why the City didn't move
28 forward with a ballot measure at the time. Board President Cotton explained the Board
29 moved forward with the initial measure, but pulled back because the Board believed the
30 sentiment among the voting population was that they wanted no more sales tax. He
31 commended the work done by staff in that whole process.
32

33 Board Member Boyer commented that he thought the Board should have moved forward
34 with something last year, and he still feels that way. He stated he is very conflicted about
35 sales tax increases because a sales tax is always the most regressive tax. However, the
36 TBD Board simply doesn't have many options, and somehow they need to come up with
37 about \$4 million a year. One of the ways to do this might be to take smaller bites. He
38 recommended talking about a .1% increase that would get the City halfway to the
39 required amount. The TBD Board will likely have to ask the City Council to consider
40 other funding mechanisms.
41

42 Board Member Ross said she was one of the members of the Board who was not excited
43 about a sales tax increase. She was extremely disappointed that there were certain
44 members of the community who felt it was their responsibility to spread falsehoods about
45 what was happening during the first election. She believes this is why the first measure
46 failed. She didn't believe taking the measure back to the voters was a prudent strategy at
47 the time. There was also the fact that Community Transit would be asking for more

1 money at the same time. She felt that what was lacking at the time was input from the
2 Administration about what they were going to do about the funding issues. She thinks the
3 Board needs to be able to look at this as part of the bigger picture of all the options
4 available. She commented how the changes to the makeup of the TBD might help this
5 situation.

6
7 Board Member Hurst asked if a .1% sales tax increase would be combined with taking
8 away the license tab fee. There was discussion about how these two items had to be
9 considered separately. Board Member Hurst thought Tim Eyman was putting out another
10 initiative to limit the license tab fees to \$35.

11
12 Board President Cotton commented that the Board has to come up with something even
13 though they are limited in their options.

14
15 Board Member Boyer concurred. He noted that the Council is supposed to look at the city
16 budget in a holistic way considering what the priorities of the citizens are. The residents
17 have told the Council that they do not want .2% added to the sales tax so the City will not
18 come up with only one mechanism to solve the funding problem. He suggested letting the
19 TBD Board handle the part of the problem that it can and letting the Council do what it
20 can.

21
22 Board President Cotton suggested tabling the discussion until the next regularly
23 scheduled TBD meeting on March 14 at 6 p.m.

- 24
25 • Possible Motion Related to Potential Ballot Measure Resolution for Increased
26 Sales Tax and/or Increased or Decreased Vehicle Registration Fee Funding
27 Options
28

29 **70. PRESENTATION, DISCUSSION AND POSSIBLE ACTION OR OTHER DISPOSITION:**

- 30 • Recent Legislative Changes to Transportation Benefit District Law
31 • Possible Motion Relating to Implementation of Recent Legislative Changes
32

33 City Attorney Dawn Reitan reviewed legislation adopted in 2015 which affects the TBD
34 Board. She pointed to the Memo starting on page 70-3 and highlighted funding and
35 potential structuring changes. The legislature revised the license fee tab the TBD Board
36 can ask for up to \$20. Within two years the Board can go up to \$40 without a vote. After
37 two more years the Board can go up to \$50 without a vote, but at the \$50 level, the Board
38 must provide notice and it is subject to referendum. The legislature also authorized cities
39 to be able to assume the authorities, powers, obligations, duties, of the TBD without
40 maintaining two separate entities. She reviewed the procedural aspect of this.

41
42 Board Member Boyer asked about the original intent of the makeup of the TBD. City
43 Attorney Reitan explained that the intent always was that it would be the city or county
44 elected officials.
45
46

1 Board Member Hurst asked what would happen to the President and Vice President that
2 were just elected. City Attorney Reitan explained there would be a section of the
3 ordinance which would dissolve the Board itself. The Council would then assume all the
4 responsibilities, indebtedness, obligations, and authority of the Board.
5

6 Board Member Sessions asked about the downside of combining the TBD Board and the
7 City Council. City Attorney Reitan suggested a possible downside might be the ability to
8 separate things and focus more on just transportation issues. Legally, she doesn't see a
9 downside either way. Board Member Sessions asked staff's opinion. Director Franz
10 commented that having a separate board requires some extra staff work, but there isn't a
11 huge difference. He commented that one benefit of having the TBD Board separate is
12 being able to solely focus on transportation for an hour with the Council.
13

14 Board Member Ross asked if there is a deadline for the Council to make a decision on
15 this. City Attorney Reitan replied there is not.
16

17 Board Member Boyer expressed concern about the possibility that less of the
18 Board/Council's time may be allocated to transportation issues without regularly
19 scheduled TBD meetings. He commented that right now the City's transportation system
20 is in a crisis, and it might be better to maintain the separate TBD Board for a time to
21 focus on those serious issues. Once the Board figures out how to make this work, it might
22 make sense to have the TBD Board absorbed by the Council.
23

24 Board Member Sutton spoke in support of keeping the TBD Board separate so she can
25 learn more and be more effective.
26

27 Board Member Hurst also thought it made sense to keep the Board separate for a while.
28 He expressed concern about notification because he didn't see the TBD Board meeting on
29 the City's website until today.
30

31 Board President Cotton also spoke in support of keeping the TBD Board separate to allow
32 them to focus in on the issues.
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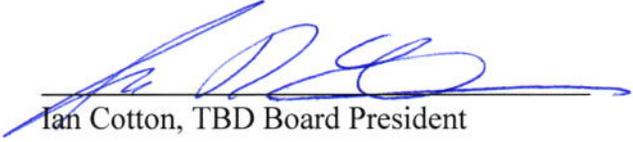
34 Board President Cotton announced the next regularly scheduled TBD Board Meeting
35 would be on March 14, 2016 at 6:00 p.m. Director Franz solicited topics the Board would
36 like more information on for the next meeting. Board Member Sessions asked for
37 information about deadlines. Board Member Hurst requested a breakdown of pavement
38 management needs referred to on page 60-12. Board Member Boyer encouraged Board
39 Members to forward any other requests to the TBD Board President.
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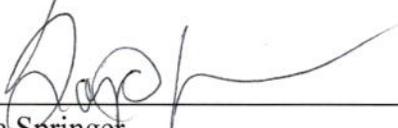
1 80. ADJOURNMENT

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Motion made by Board Member Boyer, seconded by Board Member Ross, to adjourn the meeting. Motion passed unanimously.

The meeting was adjourned at 9:20 p.m.


Ian Cotton, TBD Board President



Sonja Springer
Finance Director, Acting as Board Treasurer