

CITY OF LYNNWOOD
TRANSPORTATION BENEFIT DISTRICT BOARD REGULAR MEETING MINUTES
October 18, 2017

10. CALL TO ORDER – The October 18, 2017 Regular Meeting of the City of Lynnwood Transportation Benefit District (TBD) Board, held in the Council Chambers of Lynnwood City Hall, was called to order by Board President Cotton at 7:01 p.m.

20.

ROLL CALL

Board President Ian Cotton
Board Vice President Benjamin Goodwin
Board Member M. Christopher Boyer
Board Member Ruth Ross
Board Member Shannon Sessions
Board Member Shirley Sutton
Board Member George Hurst

OTHERS ATTENDING

Public Works Director Bill Franz
Interim Engineering Manager Mach
Executive Asst. Beth Morris
Finance Director Springer
City Attorney Larson
Economic Devt. Director Kleitsch

30 APPROVAL OF MINUTES – March 15, 2017 Regular Meeting

Motion made by Board Member Sutton, seconded by Board Member Ross, to approve the minutes of the March 15, 2017 Regular Meeting.

Board Member Hurst moved to make a correction to page 4 of the minutes, page 30.5 of the packet, line 3, to state: *Board Member Boyer stated **his opinion** that Robert's Rules forbid the Chair/President from seconding a motion.*

Motion passed unanimously to approve the minutes as amended.

40. VOUCHER APPROVAL

Motion made by Board Member Boyer, seconded by Board Member Hurst, to approve claims in the amount of \$379.20. Motion passed unanimously.

50. CITIZEN COMMENTS AND COMMUNICATIONS

Ted Hikel, 3820 – 191st Place SW, Lynnwood, WA 98036, spoke in support of melding the Transportation Benefit District Board into the City Council agenda for the sake of efficiency.

60. ORDINANCES No. 14 and No. 15 – Decreasing or Eliminating the Vehicle Licensing Fee

A. Public Hearing

1 The public hearing was opened at 7:06 p.m. Board President Cotton stated the purpose
2 of the hearing, hearing procedures, the order of the hearing.
3

4 Staff Presentation:
5

6 Director Franz and Interim Engineering Manager David Mach made the staff
7 presentation. Director Franz and Interim Engineering Manager Mach reviewed
8 documents in the packet and items distributed at the meeting related to this item
9 including a Funding/Spending Plan based on the current revenue that the TBD is
10 generating; Ordinance No. 14 which would decrease the current vehicle tab from \$40 to
11 \$20 and would go into effect the first day of month six months from the day it was
12 enacted (May 1, 2018 if enacted today); Ordinance No. 15 which would reduce the
13 vehicle tab from \$40 to \$0 which would go into effect May 1, 2018 if enacted today; a
14 Funding/Spending Plan with deletion of the \$20 tab fee; a Funding/Spending Plan with
15 deletion of the \$40 tab fee; a chart showing how the current tabs are allocated to
16 different agencies; and a table of upcoming capital projects.
17

18 Director Franz commented that citizens have consistently spoken to the importance of
19 transportation in Lynnwood. This means, in part, having dedicated funds for capital
20 replacement and being able to adequately fund the Operations and Maintenance Street
21 Fund. He stressed that if they don't keep up the infrastructure, over time it will degrade
22 and result in an enormous price tag. He explained that the TBD Board has taken steps to
23 meet the challenge with the \$20 tab fee in 2010, the 2015 ballot measure for the .2%
24 sales tax increase which was not successful, and the second \$20 tab fee in 2016
25 bringing the total tab fees to \$40. Finally, the Board ran a 0.1% sales tax measure that
26 passed successfully in November of 2016. He commended the Board for taking these
27 tough steps towards funding and keeping up the transportation system. With the current
28 funding staff has developed a multi-year spending plan that meets many, but not all of
29 the important infrastructure needs. He reviewed questions and concerns raised about the
30 current level of funding and stated that consideration of changing the funding level has
31 come up. The administration's recommendation is to hold steady with the current
32 funding level as they fully analyze the many transportation needs and work towards a
33 future recommendation of how much *more* rather than less funding they will need. He
34 discussed how the budget process relates to this. He spoke against making funding
35 decisions that would result in level of service decreases without a full Budgeting for
36 Outcomes analysis and discussion. Director Franz then commented regarding the
37 proposed ordinances, the status of the current funding level and the impacts that the
38 proposed ordinances would have on the City's ability to maintain the transportation
39 infrastructure. He stressed that with a \$20 reduction in license tab fees they would not
40 have a sustainable paving program. With a \$40 reduction in license tab fees, this would
41 result in a four-point drop in the PCI and they would not be anywhere close to a
42 sustainable paving program. It would also impact other areas.
43

44 Interim Engineering Manager David Mach reviewed the breakdown of the vehicle
45 license tab fee. He explained that the bulk of the larger vehicle tab fees is due to the
46 RTA (Regional Transit Authority) which is based on a percentage of the car's value as
47 opposed to the TBD fee which is a fixed number. He then reviewed nine significant

1 capital projects that need to be constructed over the next 5-10 years to maintain the
2 amount of growth they are seeing around the city.

3
4 Written Materials:

5
6 Board President Cotton read the following written materials into the record:

- 7
8 1. An email from Paul and Bonita Hickock dated October 18, 2017 against the TBD
9 car tab fees and in favor of repealing the \$40 fee.
10 2. An email from Michael and Traci Wojack dated October 18, 2017 in favor of
11 reducing or repealing the license tab fees.
12 3. A letter from Dennis Larson dated September 29, 2017 expressing concern about
13 the condition of city streets and dissatisfaction that more improvements have
14 not been made with the money collected.
15

16 Public Testimony:

17
18 Paula Lapham, 5220 176th Street SW, #68, Lynnwood, WA 98037, spoke on behalf of
19 senior citizens at a mobile home park in Lynnwood. She stated that they all live on
20 social security and money is tight. She urged the Board to consider the seniors and other
21 low income people in the City for whom \$40 is a lot of money.
22

23 Julie Anderson, 5722 HillPointe Circle, Lynnwood, WA, expressed concern about the
24 \$40 tabs and spoke in support of reducing them to zero. She runs a daycare center with
25 most of her clients being low income families for whom \$40 makes a big difference.
26

27 Ted Hikel, 3820 – 191st Place SW, Lynnwood, WA 98036, requested that in the future
28 items distributed to the Board be shown to the audience as well. He distributed a list of
29 TBD revenue sources from MRSC (Municipal Research and Services Center). He noted
30 that Seattle has the highest TBD fee because they have an \$80 tab fee and a 0.1% sales
31 tax, but Lynnwood is second in the state. Lynnwood also has the highest sales tax in the
32 State of Washington. He reviewed other cities' TBD revenue sources and expressed
33 concern about the excessive taxes and fees. He commented that if property taxes get
34 raised as a result of the RFA he thinks the extra \$2.2 million should go to roads along
35 with the \$2 million from sales tax.
36

37 Beverly Hikel, 3820 – 191st Place SW, Lynnwood, WA 98036, spoke in support of
38 funding the roads through the budget as this is one of the city's primary needs. She does
39 not think the \$40 license tab fee is necessary. She urged the City to live within its
40 budget as many seniors in the community have to do.
41

42 Cena Conteh, PO Box 5474, Lynnwood, WA, spoke on behalf of people who live and
43 work in Lynnwood on a non-livable wage. She stated that the fee is too much. She
44 thinks that the 0.1% is already in place and should be enough. She spoke in support of
45 using the budget they already have.
46

1 Reuben Rodriguez, 55220 176th Street SW, Unit 4, Lynnwood, WA commented on how
2 his retirement income barely covers the rent and other expenses keep going up. He
3 spoke against the \$40 license tab fees because of the impact they have on people who
4 are on fixed incomes.

5
6 Ted Hikel, 3820 – 191st Place SW, Lynnwood, WA 98036, (again) referred to the
7 online budget and noted that the budget for Streets contains no transfers from the
8 General Fund for 2014, 2015, and 2016. He feels like this underfunding for years is
9 what is causing a lot of the problems. If this is really a need of the city then in the
10 budget process they need to look at redirecting money that is going elsewhere to go to
11 roads and to the police department. If not, he questioned whether or not they are
12 fulfilling the needs of the citizens of the City of Lynnwood. People are frustrated
13 because they are seeing the increased taxes and fees, but they are not seeing
14 improvements in streets. He urged the Board to look seriously at eliminating the \$40
15 fee.

16
17 Seeing no further comments the public testimony portion of the hearing was closed at
18 7:53 p.m.

19
20 B. Consideration, discussion, and possible action or other disposition on said ordinances.

21
22 TBD Board Questions:

23
24 Board Member Boyer asked staff about possibly providing discounts or rebates to
25 people who might need it. Interim Engineering Manager David Mach said he thought
26 there was a mechanism to do that. He indicated that staff could look into it if desired by
27 the Board. There was consensus to have staff look into that.

28
29 Board Member Hurst asked how long the tab fees have been in place. Director Franz
30 replied that the first \$20 fee went into effect in 2010. The second fee went into effect in
31 February of 2017. Board Member Hurst asked how Public Works funded Streets
32 without those funding mechanisms. Director Franz replied that they basically haven't
33 had a funded overlay program for years, and the roads are degrading. He spoke in
34 support of funding roads without having to be dependent on tabs, especially now that
35 they have the sales tax.

36
37 Board Member Boyer referred to the recommendation that the City should be spending
38 between \$2.6 and \$3 million per year to keep up with paving. He noted that at no point
39 during upcoming years is staff requesting anything greater than \$2.6 million per year.
40 Director Franz acknowledged that this would be weakly funded. Board Member Boyer
41 recalled a comment by Director Franz during the budget process where he indicated that
42 Streets didn't need more money and noted he had been surprised by that.

43
44 Board Member Boyer referred to the annual program for Streets where staff is
45 estimating a yearly need of between \$250,000 and \$420,000. The projected numbers all
46 fall in that range, but only in the last two years does it reach \$420,000. He asked about
47 the sufficiency of this. Director Franz commented that they are just keeping the Street

1 fund at the bare minimum which it is at now. Board Member Boyer referred to the
2 annual program for sidewalks which is \$50,000 each year for sidewalks with zero for
3 new sidewalks.
4

5 Board Member Boyer commented that ADA curb ramps are an unfunded mandate from
6 the federal government. He asked about what might happen if the City ignores this
7 unfunded mandate. Director Franz explained that the Department of Justice has gone
8 after a couple cities that did not have an appropriate ADA transition plan which the City
9 of Lynnwood is developing right now. Those cities were given an edict that they had to
10 spend a certain amount of money per year from now on to do ramps.
11

12 Board Member Boyer summarized he is very cognizant of residents trying to live on
13 low or fixed incomes which is why he wants staff to investigate the possibility of some
14 kind of waiver system. However, even with the \$40 fee and the 0.1% sales tax, the City
15 is barely scraping by at funding Streets. He referred to requests tonight to take money
16 from the General Fund to fund Streets and asked what money they would take. The
17 TBD process was used because the City needed to get an appropriate amount of money
18 into the street system. He spoke against any measure to lower the tab fees at this time.
19

20 Board Member Sessions said she had different recollections about the comments made
21 by Director Franz during the budget discussion. She recalled that the comments were
22 made in the context of the old technology versus the new technology which gives actual
23 results about the condition of roads. She asked Director Franz to explain his comments.
24 Director Franz explained that during the budget process last November, after the 0.1%
25 had passed and after the Board had put into effect the second \$20 tab fee, the question
26 was asked of him if the City should look for more money from the General Fund and
27 his answer was, "No." This was because they needed time to analyze the new funds and
28 because the Pavement Management System results were coming soon and indications
29 were that the costs would be lower. When it was discovered that the costs would indeed
30 be lower he made a similar recommendation that they continue to analyze the situation
31 before they decided to go higher or lower with fees.
32

33 Board Member Ross spoke strongly against taking any action tonight without taking it
34 in light of the entire budget. She stated that if they are going to do Budgeting for
35 Outcomes they need to do it completely. She urged the Board not to be reckless and to
36 address this in the budget process. She thinks it would be very irresponsible to not look
37 at the concept that Board Member Boyer brought up about making provisions for
38 people on fixed or low incomes. She spoke in support of having a diversification of
39 revenue sources so that everything is not dependent on sales tax.
40

41 Board Member Sutton concurred with Board Member Ross. She asked about the reason
42 for Streets money being cut from the budget several years ago. Director Franz explained
43 that costs went up due to inflation, but revenues didn't go up so year after year the
44 budget became less and less especially for the Street fund. As an example of this
45 increased pressure, he noted that they have had four people on the Street crew for
46 decades even though the number of streets has gone up by 50%.
47

1 Board President Cotton referred to page 60.2 of the Funding/Spending plan in the
2 packet and asked when the TBD began collecting the sales tax portion. Interim
3 Engineering Manager David Mach thought it was in April or May. Board President
4 Cotton noted that the numbers for 2018-2022 are flat. He asked why the 4% estimated
5 increase in sales tax wasn't included. Director Franz thought it just hadn't been
6 updated, but suggested they would probably estimate it at 2% in order to be
7 optimistically conservative. Board President Cotton asked if the contribution from the
8 Utility Fund of \$280,000 just covers emergency repairs as opposed to larger overlays.
9 Director Franz noted that this is just Utilities' yearly contribution towards overlaying
10 the streets. Board President Cotton suggested treating it like a cost center so that
11 anytime Utilities cuts a street, the Street crew would charge them for the actual amount
12 that it costs to repair that street. Director Franz indicated they could look into that.

13
14 Board Member Hurst asked about looking at Streets as a utility as had been suggested
15 by the consultant. Director Franz didn't think that state law permits it at this point. City
16 Attorney Larson concurred.

17
18 Board Deliberation:

19
20 Board Member Sessions thanked members of the public who came to the hearing. She
21 was optimistic about the potential discounts for this as they have done for utilities. She
22 urged the Council not to overreact. She noted that the City hasn't even collected what
23 they wanted to to help with bottom line. She commented it is also the City's
24 responsibility to keep the seniors safe, and this includes maintaining the roads for the
25 public to drive on and also for public safety vehicles. She thanked staff for providing
26 the breakdown of the tab fees and noted that the majority of it is going to RTA. She
27 commented that the \$40 per year is going directly to city roads. She noted that this
28 meeting was supposed to happen in November, but had been pushed forward. She
29 suggested that the timing of this meeting could have something to do with the campaign
30 and election in November. She urged the Board to continue to collect the tab fee and be
31 courageous for the sake of the City. She discussed the fact that the roads are being
32 pounded by Sound Transit, but the City receives nothing for that. Also the population of
33 Lynnwood more than doubles during the day and is different than the other cities that
34 were mentioned in public comments. Roads have been the priority since she has been
35 on the Council, and they need to stick to it. She recommended at least giving this a year
36 and talking about it again in March. She commended the Board for working creatively
37 to not put everything on a sales tax. She commended staff for their hard work in getting
38 the 196th Street grant.

39
40 Board President Cotton clarified that there are two regularly scheduled meetings per
41 year – in March and October.

42
43 Board Member Ross read from the minutes of the March meeting when the consultant
44 spoke about the condition of the City's roads. "He estimated that if Lynnwood wanted
45 to fix all its roads today it would cost \$37.5 million. The typical life cycle estimates
46 show that Lynnwood would need approximately \$2.5 annually to maintain the current
47 PCI (Pavement Condition Index). This does not include routine maintenance activities,

1 ADA compliance, culverts or ditch repair, striping, bike lanes, or additional width.” She
2 stressed that \$2.5 million would just maintain the *current* condition of the roads and
3 does not cover all of those other things. She stated that they do not have a choice; they
4 have to make the roads better.

5
6 Board Member Hurst emphasized that this meeting was not a conspiracy. The date has
7 been set for months. He stated he voted for both of the tabs, but when they started
8 considering the sales tax he had suggested adding a *quid pro quo* on the ballot that if the
9 sales tax passed they would eliminate the tab fees. He still is in support of that. He
10 agreed that a waiver or discount would help the seniors, but would not help the
11 moderate or low income residents. He stressed that the median income in Lynnwood is
12 not high. Additionally, small businesses in the city pay this tab fee on every vehicle. He
13 noted that they would have to make some tough decisions. They made a commitment
14 with the resolution in support of the RFA that they would reduce taxes and fees within
15 Lynnwood. This is a step in that direction. He commented that the City has more
16 revenue coming into it than it ever has. They just have to make the tough decisions
17 about where they are going to spend it. He spoke in support of taking the \$40 tab fee off
18 completely.

19
20 *Motion made by Board Member Hurst, seconded by Board President Cotton, to adopt*
21 *Ordinance No. 15, “AN ORDINANCE OF THE LYNNWOOD TRANSPORTATION*
22 *BENEFIT DISTRICT, ELIMINATING THE VEHICLE LICENSE FEE IMPOSED BY*
23 *THE DISTRICT IN ORDINANCE NO. 10; AND PROVIDING FOR SEVERABILITY,*
24 *AN EFFECTIVE DATE, AND SUMMARY PUBLICATION.”*

25
26 Board Member Boyer solicited the City Attorney’s opinion on the question of whether
27 or not the chair can second the motion. City Attorney Larson stated that according to
28 Robert’s Rules a second is not even required for small boards. The rules also say that
29 the chair can make a motion in a small board situation. It was her opinion that if the
30 chair could make a motion, the chair should be able to second a motion.

31
32 Board Member Hurst stated that this ordinance would take away the \$40 fee entirely.
33 He reiterated that this is part of the movement the City needs to make toward
34 decreasing taxes and fees. He is in support of this because of the impact it is having on
35 seniors, moderate to low income residents, and businesses.

36
37 *Board Member Ross moved to amend the motion to postpone any action on it until the*
38 *March meeting of the TBD. The amendment was seconded by Board Member Boyer.*

39
40 Board Member Ross stated she wanted time for staff to look at the possibility of having
41 discounts for people on low income as well as fixed income.

42
43 Board President Cotton solicited legal opinion about the motion. City Attorney Larson
44 stated that it is a motion to postpone to a date certain, and she believed it was proper.

45
46 Board Member Boyer stated he is interested in finding out what can be done to level the
47 playing field for folks who are paying into this program. He also noted that they haven’t

1 even had a full year under this program yet, and they need to give it a little time.
2 Additionally, there will be a fairly radical change to property tax rates in the next couple
3 of months. He cautioned against changing too many variables at one time. He
4 recommended taking all of this on as a whole in the Budgeting for Outcomes exercises
5 for the next biennium.
6

7 Board Vice President Goodwin stated he is still interested in looking at the \$20 fee, but
8 not taking the whole fee off. He expressed concern that he had not been informed about
9 the agenda of this particular board meeting in a timely manner and had been unable to
10 reschedule two presenters who were present for the work session tonight. He expressed
11 concern that there was only two weeks' notice instead of the usual three weeks' notice
12 for this meeting. Because of that issue of notice, he felt it was appropriate to take action
13 tonight.
14

15 Board Member Hurst objected to postponement.
16

17 Board Member Sutton spoke in support of postponing this because she didn't feel she
18 had enough information to make a decision. She noted that they were all elected by the
19 residents who expect them to have their genuine benefit in mind.
20

21 Board President Cotton spoke against postponement. It was his sense that there had
22 been consensus with the Board that if the 0.1% sales tax passed the Board would return
23 the tax money. He feels this is about being a representative of the people and noted that
24 they heard tonight almost unanimously that people want to see a reduction in their fees.
25 The voters approved the 0.1% sales tax increase which will provide \$2.1 million
26 revenue for Streets. He reminded everyone that the role on the TBD Board is meant
27 specifically to govern over and administer tab fees and sales tax, if allowed, specifically
28 for the purpose of transportation improvements. It is the role of the City Council to set
29 the budget priorities. He cautioned against mixing up their roles as Board members and
30 Councilmembers, but acknowledged that it is easy to do.
31

32 *Upon a requested roll call vote, the motion to postpone to the March 21, 2018 meeting*
33 *passed 5-2 with Board Members Goodwin, Boyer, Ross, Sutton, and Sessions voting in*
34 *favor of the motion and Board Members Hurst and Cotton voting against the motion.*
35

36 70. ADJOURNMENT
37

38 *Motion made by Board Member Boyer, seconded by Board Member Ross, to adjourn the*
39 *meeting. Motion passed unanimously.*
40

41 The meeting was adjourned at 8:48 p.m.
42

43
44
45
46 Sonja Springer

47 Finance Director, Acting as Board Treasurer


Ian Cotton, TBD Board President