

City of SeaTac

Regular Council Meeting Minutes

October 14, 2014

6:30 PM

City Hall
Council Chambers

CALL TO ORDER: The SeaTac City Council Regular Meeting was called to order by Mayor Mia Gregerson at 6:31 p.m.

COUNCIL PRESENT: Mayor Mia Gregerson, Deputy Mayor (DM) Anthony (Tony) Anderson (*participated via phone*), Councilmembers (CMs) Barry Ladenburg, Kathryn Campbell, Terry Anderson, Dave Bush, and Pam Fernald.

STAFF PRESENT: City Manager Todd Cutts, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Assistant City Manager (ACM) Gwen Voelpel, Senior Assistant City Attorney Mark Johnsen, Parks & Recreation (P&R) Director Kit Ledbetter, Community & Economic Development (CED) Director Joe Scorcio, Economic Development (ED) Manager Jeff Robinson, and Police Chief Lisa Mulligan.

FLAG SALUTE: Mayor Gregerson led the Council, audience, and staff in the Pledge of Allegiance.

PUBLIC COMMENTS: The following people spoke against Agenda Bill #3648 (utility tax): Vicki Lockwood, Kathleen Brave, and Earl Gipson.

Ray Overholt requested Council consider an Ordinance regulating limo businesses in residential neighborhoods.

Terri Reahard stated that Alaska Airlines employees previously sent a letter to the Council about crosswalk safety at South 188th Street and 28th Avenue South. A response was received from the City Engineer. She stated their appreciation of the response and requested the City consider the suggestions they provided.

PRESENTATIONS (Continued):

•Domestic Violence (DV) Awareness Proclamation

Mayor Gregerson read the proclamation and presented it to YWCA Representative Liz Mills and SeaTac Victim Advocate Kim Cooper. Ms. Mills spoke regarding DV Awareness and Ms. Cooper explained her role in the City.

•DiscoverU Week Proclamation

Mayor Gregerson read the proclamation and presented it to Tyee Educational Complex College & Career Access Specialist Karly Feria. Ms. Feria spoke regarding DiscoverU.

•Institute for Family Development

Parents and Children Together (PACT) Clinical Supervisor Kim House stated that PACT has been funded by the City for many years. She detailed the program which goal is to prevent families from becoming involved with Child Protective Services (CPS). She thanked the City for its continued funding.

•Certificate of Appreciation to Human Services Advisory Committee Member Joe Van

Mayor Gregerson read the certificate. Mr. Van was unable to be in attendance. His certificate will be mailed to him.

CONSENT AGENDA:

•Approval of claims vouchers (check no. 108766 – 108886) in the amount of \$2,154,946.42 for the period ended October 3, 2014.

•Approval of payroll vouchers (check nos. 52437) in the amount of \$776.08 for the period ended September 22, 2014.

•Approval of payroll vouchers (check nos. 52438 – 52465) in the amount of \$371,985.78 for the period ended September 30, 2014.

•Approval of payroll electronic fund transfers (check nos. 82441 - 82578) in the amount of \$250,528.72 for the period ended September 30, 2014.

•Approval of payroll wire transfer (Medicare and Federal Withholding Tax) in the amount of \$52,110.10 for the period ended September 30, 2014.

•Pre-approval or final approval of City Council and City Manager travel related expenses for the period ended October 6, 2014.

Approval of Council Meeting Minutes:

•Council Study Session held September 9, 2014

•Regular Council Meeting held June 10, 2014

CONSENT AGENDA (Continued):

Agenda Items reviewed at the September 23, 2014 Council Study Session and recommended for placement on this Consent Agenda:

Agenda Bill #3638; A Resolution authorizing the execution of a two-year extension of the 2012-2014 collective bargaining agreement between the City of SeaTac and the Washington State Council of County and City Employees American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO, Local 3830

Agenda Bill #3635; A Motion authorizing the City Manager to enter into an Agreement between the Highline Public Schools and City of SeaTac for a School Resource Officer at Tye Educational Complex and Chinook Middle School

Agenda Bill #3639; An Ordinance #14-1012 repealing Chapter 2.35 of the SeaTac Municipal Code

Agenda Item reviewed at the October 14, 2014 Council Study Session and recommended for placement on this Consent Agenda:

Agenda Bill #3647; A Motion authorizing the City Manager to execute a boundary line agreement between the cities of SeaTac, Kent, and Seattle

CM Fernald requested Agenda Bill #3638 (AFSCME agreement extension) be removed from the Consent Agenda to be discussed under Unfinished Business.

MOVED BY T. ANDERSON, SECONDED BY LADENBURG TO ACCEPT THE CONSENT AGENDA AS PRESENTED, WITH THE REMOVAL OF AGENDA BILL #3638.

MOTION CARRIED UNANIMOUSLY.

PUBLIC HEARING (PH):

•Joint establishment of a Tourism Promotion Area (TPA)

Mayor Gregerson opened the PH at 6:57 p.m.

She announced that this PH is to consider the establishment of a tourism promotion area pursuant to Revised Code of Washington (RCW) 35.101 in the jurisdictional boundaries of SeaTac, Tukwila and Des Moines to be known as the Seattle Southside TPA (SSTPA). This hearing is being held pursuant to RCW 35.101.030 and .070. The purpose of this hearing is to hear and consider comments from the public for or against the establishment of the proposed TPA. Because the formation of the proposed TPA goes hand in hand with the establishment of the proposed public development authority (PDA) to be known as the Seattle Southside Regional Tourism Authority (SSRTA), the public is also invited to address the establishment of the proposed PDA. In accordance with state law, this hearing will terminate if protests are received by the lodging businesses in the proposed TPA which would pay a majority of the proposed charges.

ED Manager Robinson recapped Agenda Bill #3629 summary.

CM Ladenburg stated that this has been discussed quite a bit and it is a good proposal to move forward.

Katherine Kertzman [Seattle Southside Visitor Services (SSVS)] and Frank Welton (Hilton / Doubletree) spoke in favor of the TPA. The following people also expressed their support but did not comment: Maureen Hathway (Embassy Suites), Mike Schabbing (Courtyard Seattle Southcenter), Larry Heiberg, Tim Boysen, Chris Boysen, and Cathy Boysen Heiberg (Boysen-Boysen), Angie Martinez, Alison Morse, and Barry Baxter (Home 2 Suites), Ashley Comar (Seattle Southside), Ted Huetter (Museum of Flight), and Brandon Miles (Tukwila).

Mayor Gregerson closed the PH at 7:05 p.m.

ACTION ITEM:

Agenda Bill #3629; An Ordinance #14-1013 establishing a Tourism Promotion Area (TPA), imposing a charge on the furnishing of lodging with the Tourism Promotion Area, and other matters related thereto

Summary: TPAs were created by state statute (RCW 35.101) with the purpose of furthering additional positive impacts for tourism spending in local communities. The TPA statute allows the legislative authority of the TPA to impose a charge on certain lodging of up to \$2.00 per room, per night. The charge is not a tax on the sale of lodging. Rather, it is a self-imposed special assessment collected by certain lodging businesses within the TPA. This special assessment is collected in addition to the Lodging Tax.

ACTION ITEM (Continued):

Agenda Bill #3629; Ordinance #14-1013 (Continued): In King County (KC), the establishment of a TPA requires the participation of two or more local governments through an Interlocal Agreement (ILA). The proposed SSTPA will be a joint effort between the cities of SeaTac, Des Moines, and Tukwila. These three cities executed an ILA in May 2014 (the SeaTac City Council authorized the City Manager to execute the ILA on March 25, 2014 via Agenda Bill # 3525). The ILA designated the SeaTac City Council as the legislative authority for the SSTPA.

TPA formation is initiated when the operators of lodging businesses in the proposed TPA, who would pay 60% or more of the proposed self-assessments, submit a formation petition to the designated legislative authority. This petition was delivered to the City on August 7, 2014. The petition contained signatures from 62% of the applicable hotels. As the designated legislative authority for the TPA, the City Council is statutorily required to conduct a PH and consider adopting an Ordinance establishing the proposed TPA and imposing the charge on lodging by certain lodging businesses located within the boundaries of the TPA.

This Ordinance creates the SSTPA. The boundaries of the SSTPA will be the corporate boundaries of SeaTac, Tukwila, and Des Moines. This Ordinance also sets the special assessments within the SSTPA at \$2.00 per room, per night. This assessment would only apply to those lodging establishments with 90 or more rooms. Finally, this Ordinance specifies that the revenue received from these assessments can only be used for certain tourism promotion purposes. More specifically, it is the intent that this funding will be used to augment and expand the tourism promotion services currently provided by Seattle Southside Visitor Services.

If this Ordinance is adopted, the assessment is projected to take effect on or around January 1, 2015. In addition, the City's responsibilities as legislative authority for the TPA include adopting a budget for the use of the special assessments, contracting with the Washington State Department of Revenue for the collection and remittance of the revenues generated, and receiving reports from the SSRTA (if established), which will have management and fiscal responsibility for the funds and programs supported from SSTPA revenues.

If the City Council adopts this Ordinance creating the SSTPA, the City Council will be asked to consider adopting a second Ordinance creating the SSRTA (Agenda Bill # 3630).

Approximately \$2.0 - \$2.5 million in yearly revenue is expected to be generated annually for tourism promotion to augment and significantly expand the current services provided through SSVS. There will be minimal staff time needed for the administrative and fiscal oversight of the TPA.

MOVED BY FERNALD, SECONDED BY LADENBURG TO PASS AGENDA BILL #3629 (Ordinance #14-1013).

MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS (related to Action Items and Unfinished Business): There were no public comments.

ACTION ITEM:

Agenda Bill #3630; An Ordinance #14-1014 authorizing the creation of a public corporation known as Seattle Southside Tourism Development Authority

Summary: This Ordinance charters the SSTRAs as a public corporation and separate legal entity to perform the management of tourism promotion activities for the SSTPA.

PDA's, which the SSTRAs will be, are established by cities or counties pursuant to RCW 35.21.730. These entities are created to operate projects or programs which the city or county determines are best managed outside of the traditional administrative and political constraints of local government. PDA's provide limited liability for the city that creates them and allows for more entrepreneurial decision making and specifically focused goals and management through the professionals who oversee their operations. There are several dozen PDAs in Washington State, including the Foss Waterway Development Authority in Tacoma, the Pike Place Market PDA in Seattle, the South Correctional Entity (SCORE) Facility PDA, and the Valley Communications Development Authority. The decision to establish the SSTRAs as PDAs and as the managing entity for tourism promotion efforts came after a thorough analysis of other potential management structures including 501(c)(3) and 501(c)(6) non-profit organizations, both of which included requirements not conducive to the operation of a regional tourism promotion effort.

ACTION ITEM (Continued):

Agenda Bill #3630; Ordinance #14-1014 (Continued): The SSTRA is being established to carry-out and implement the provisions in the ILA between SeaTac, Tukwila, and Des Moines to manage both TPA-generated resources and lodging tax funding for regional tourism promotion activities. This organizational structure allows for:

- An entrepreneurial approach necessary for successful tourism promotion;
- Active participation of members of the hospitality industry;
- Use of multiple revenue sources;
- Coordination with other tourism related entities; and
- Professional staffing that is required for the proper planning, management, oversight and accountability of such an undertaking.

Programmatically, the SSRTA will function in much the same manner as the current Seattle Southside Visitor Services, which has been providing tourism marketing for over twelve years. However, the SSRTA will have significant additional resources and as an independent entity will be governed by its own Board of Directors.

The SSRTA will be required to obtain its own legal, accounting, and insurance services independent of the City, and will be independently audited by the Washington State Auditor. The SSRTA is also required to comply with applicable State laws, including the Open Public Meetings Act and the Public Records Act.

The Charter of the SSRTA delineates its structure, purposes, operations, and limitations.

- Governance resides in an independent Board of Directors which shall exercise all corporate powers and manage the business, property, and affairs of the SSRTA.
- The structure includes a Board composed of between seven and eleven members comprised primarily of ratepayers representative of a variety of geographic locations, property sizes, and price points within SSTPA. The initial Board will be appointed by the SeaTac City Council with all subsequent appointments recommended by the existing Board and confirmed by the City Council.
- Generally, the purposes of the SSRTA are to:
 - Facilitate, through service contracts, the operation and management of the SSTPA through the receipt of funds from the special TPA assessments, lodging tax revenues, and other sources of income;
 - Provide tourism promotion services; and
 - Serve as a destination marketing organization for SeaTac, Des Moines, and Tukwila.
- The SSRTA will be operated by a staff of tourism professionals hired and managed by the SSRTA Board to negotiate and implement contracts for services with the partner cities for the operation and implementation of tourism-related activities, marketing, and programs.
- Limitations to the SSRTA include specific restrictions on the authority to issue bonds or incur any liability that creates recourse by any party to any assets, services, resources or credit of the City of SeaTac, Des Moines, or Tukwila, unless otherwise expressly agreed to in writing.

The City's oversight responsibilities are specifically articulated to create an absence of liability for any actions of the SSRTA. This oversight includes receipt of annual written and verbal reports, approval of a general budget, access to all records, including financial statements, and attendance of Board meetings. The City Manager will designate a member of the City staff to be the liaison between the City and the SSRTA that has responsibility for the oversight function.

The City will record in a memorandum of agreement with the SSRTA how the oversight responsibilities will be conducted by the City. This will include attendance at meetings of the SSRTA, review of minutes, receipt of budgets or resolutions, sitting in on audit exit interviews, and then periodically reporting to the City Manager. This will both define and limit the scope of oversight, and provide an understanding of what oversight means to the City. This memorandum will also delineate what information the City expects to receive from the SSTRA to ensure that it is appropriately informed of activities for oversight purposes. This will include, but not be limited to copies of meeting notices, minutes, resolutions, budgets, and audit reports. The goal of this memorandum is to create transparency as to the relationship between the City and the SSRTA.

Finally, the City may dissolve the SSRTA "for any reason" by an affirmative finding by the City Council that such an action is warranted.

Approximately \$2.0 - \$2.5 million in yearly revenue is expected to be generated annually for tourism promotion to augment and significantly expand the current services provided through SSVS. There will be some amount of staff time and associated costs for the administrative and fiscal oversight of the SSTRA which will include

ACTION ITEM (Continued):

Agenda Bill #3630; Ordinance #14-1014 (Continued): attendance at Board meetings, review of budgets, meeting minutes, financial statements, and audits. Given that the establishment of the SSRTA benefits the City as a whole, there is not a recommendation for an administrative charge at this time. The City intends to monitor the level of effort required to ensure that the cost of the oversight responsibility does not become overly burdensome in the future.

MOVED BY T. ANDERSON, SECONDED BY LADENBURG TO PASS AGENDA BILL #3630 (Ordinance #14-1014).

MOTION CARRIED UNANIMOUSLY.

UNFINISHED BUSINESS:

Agenda Bill #3638; A Resolution #14-015 authorizing the execution of a two-year extension of the 2012-2014 collective bargaining agreement between the City of SeaTac and the Washington State Council of County and City Employees American Federation of State, County and Municipal Employees, AFL-CIO, Local 3830

Summary: The current labor agreement between the City of SeaTac and AFSCME, Local 3830 is due to expire on December 31, 2014. City and Union representatives have been negotiating a two-year extension to the current CBA since June 2014, and reached a tentative agreement on August 14, 2014. The Union membership ratified this tentative agreement on September 4, 2014. The City Manager is seeking the City Council's approval of the two-year extension of the CBA, effective January 1, 2015 through December 31, 2016, as negotiated and tentatively agreed to between the City and the Union.

This Resolution authorizes a two year extension of the 2012-2014 CBA through December 31, 2016. This extension provides for a Cost of Living Adjustment (COLA) in 2015 and 2016 at the same percentage as the current contract (95% of the CPI-W Seattle-Tacoma-Bremerton, June to June index, with a minimum of 2% and a maximum of 5%). Additionally, employees will continue to pay a portion of the monthly medical insurance premium for themselves and their enrolled dependents at the 2014 premium rates. The City will pay the balance of the premium. Finally, the Represented Positions Salary Schedule is amended to reflect changes that have occurred since the CBA was adopted in 2012.

Since this is an extension of the existing agreement, no additional fiscal impact is anticipated above what was already included in the current AFSCME contract. For estimating purposes, COLA is set at 95% of CPI-W or 2.09% in 2015, with a 2% floor in 2016. The City's health insurance plan is estimating a 5% increase in premiums each year during 2015-2016. Given these COLA and medical assumptions, with the current employee contribution amounts remaining at the higher 2014 level and all else being equal, the 2015 impact would be an estimated cost increase of \$98,717 related to COLA and \$41,235 related to medical costs. The 2016 impact is then estimated to be \$98,336 related to COLA and \$43,296 related to medical plan costs.

Upon a question regarding the need for this extension, Mr. Cutts clarified the need for this extension.

MOVED BY CAMPBELL, SECONDED BY LADENBURG TO PASS AGENDA BILL #3638 (Resolution #14-015).

MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS: There was no New Business.

CITY MANAGER'S COMMENTS: City Manager Cutts commented on the following: (1) October 15 – 8 a.m., Career Day at City Hall for freshman students from the Tyee Educational Complex; and (2) Grant applications – Waste Reduction / Recycling (WR/R) grant - \$32,592, Local Hazardous Waste Management Program (LHWMP) grant - \$11,500, Emergency Medical Services (EMS) Division Public Health grant - \$2,700, and South King County (SKC) Target Zero Team Patrols grant - \$13,500.

COMMITTEE UPDATES: CM Campbell reviewed the Duwamish Blue Print Event she attended.

CM Fernald reviewed the Emergency Management Advisory Committee (EMAC) meeting. She requested the City consider posting a link to the Ebola guidelines on the website.

COUNCIL COMMENTS: CM Bush stated that he will be participating on a DiscoverU career panel at Tyee Educational Complex for the junior class.

CM T. Anderson spoke regarding the state of veterans as they come home.

CM Campbell stated that a free medical and vision clinic is being held October 23 – 26 at Key Arena.

CM Ladenburg stated that the South County Area Transportation Board (SCATBd) will be having a meeting on October 21 at 9 a.m. It is open to the public and state representatives will be in attendance.

CM Fernald requested a PH on the 6% Utility Tax.

DM A. Anderson expressed his support for the TPA. He spoke regarding his current visit to Washington DC (not for City business). He was able to discuss with FEMA about potential training for City CMs.

Mayor Gregerson commented on the October 13 Volunteer Appreciation Lunch and the October 11 Feet First Walk.

Mr. Cutts requested clarification on the request for a PH on the 6% Utility Tax. No PH will be scheduled.

ADJOURNED:

Mayor Gregerson adjourned the meeting at 7:31 p.m.

Mia Gregerson, Mayor

Kristina Gregg, City Clerk