

City of SeaTac

Regular Council Meeting Minutes

November 22, 2016
7:00PM

City Hall
Council Chambers

CALL TO ORDER: The SeaTac City Council Regular Meeting was called to order by Mayor Michael Siefkes at 7:05 p.m.

COUNCIL PRESENT: Mayor Michael J. Siefkes, Deputy Mayor (DM) Pam Fernald, Councilmembers (CMs) Rick Forschler, Kathryn Campbell, Peter Kwon, Tony Anderson, and Erin Sitterley.

STAFF PRESENT: Acting City Manager Joe Scorcio, Senior Assistant City Attorney Mark Johnsen, City Clerk Kristina Gregg, Acting Community & Economic Development (CED) Director/Economic Development (ED) Manager Jeff Robinson, Senior Planner Anita Woodmass, Parks & Recreation (P&R) Director Lawrence Ellis, and Police Chief Lisa Mulligan.

FLAG SALUTE: CM Kwon led the Council, audience, and staff in the Pledge of Allegiance.

PUBLIC COMMENTS: Mayor Siefkes stated the Agenda Bill #4482 (Human Services Funding) was discussed during the Council Study Session (CSS) and amendments were proposed. No funding is being proposed to be cut.

The following people spoke against original proposed changes to Agenda Bill #4482: Patricia Crocker, Aden Hussein, Ardo Abdulle, Beth Farmer, and Abtziraltman Hashi.

Vicki Lockwood spoke in favor of Agenda Bill #4482 for accountability.

The following people spoke regarding the Firs Mobile Home Park relocation plan and urged the Council to do more: Helena Benedict, Ishbel Dickens, Luis Escamillo, and Sandy Hunt.

John Jovanovich regarding business license fees, asked the following: (1) paid \$250 and it's now being reduced to \$100, will he receive a refund, and (2) is everyone owning/running a business in SeaTac being treated equally.

Mohamoud Abokar requested the city consider helping the Tyee Educational Complex receive more equipment and education.

Joel Wachtel stated his concern with the politics related to the Firs Mobile Home Park and lack of cohesiveness and seemingly inability to work together.

Earl Gipson commented on the following: (1) budget process and the potential for capping salaries, (2) requested Human Services information be posted on the website so it is available to Council and public, and (3) requested Code of Ethics for City employees.

This presentation was included as part of the City Manager Comments at the end of the meeting:

PRESENTATIONS:

Key City Issues Status

CONSENT AGENDA:

Approval of claims vouchers (check no. 116341 - 116445) in the amount of \$1,083,198.67 for the period ended November 18, 2016.

Approval of payroll vouchers (check no. 53606 - 53625) in the amount of \$73,199.72 for the period ended November 15, 2016.

Approval of payroll electronic fund transfer (check no. 89403 - 89528) in the amount of \$293,107.84 for the period ended November 15, 2016.

Approval of payroll wire transfer in the amount of \$47,930.35 for the period ended November 15, 2016.

CONSENT AGENDA (continued):

Approval of Council Meeting Minutes:

Council Study Session held February 9, 2016

Regular Council Meeting held February 9, 2016

Council Study Session held February 23, 2016

Regular Council Meeting held March 22, 2016

Budget Workshop 2 held October 24, 2016

Administration & Finance Committee Meeting held November 3, 2016

Budget Workshop 3 held November 3, 2016

Budget Workshop 4 held November 7, 2016

Council Study Session held November 8, 2016

Regular Council Meeting held November 8, 2016

The following items were reviewed at the November 8, 2016 Council Study Session and recommended for placement on this Consent Agenda:

Agenda Bill #4436; An Ordinance #16-1021 amending Chapters 11.05, 11.10 and 12.10 to the SeaTac Municipal Code, related to road standards, right-of-way use, and surface and stormwater management.

Agenda Bill #4472; An Ordinance #16-1022 amending portions of Titles 13, 14, 15 and 18 of the SeaTac Municipal Code, to integrate Low Impact Development principles for stormwater management into the City's land use codes.

MOVED BY CAMPBELL, SECONDED BY FERNALD TO ACCEPT THE CONSENT AGENDA AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

PUBLIC HEARING (PH) & ACTION:

Property Tax Levy Public Hearing (PH)

Mayor Siefkes opened the PH at 7:41 p.m.

Acting Finance Director Gwen Pilo and Financial Consultant Roan Blacker briefed on the agenda bill Summary below.

Mayor Siefkes stated this results in lowering property tax.

There were no public comments.

Mayor Siefkes closed the PH at 7:44 p.m.

This item was removed from consideration at the November 22 Council Study Session.

Agenda Bill #4476; A Resolution approving the limit factor for 2017 property taxes.

Agenda Bill #4453; An Ordinance #16-1023 authorizing the City's 2017 Property Tax Levy.

Summary: Cities must submit their authorized levy amounts to the KC Assessor's Office by December 5, 2016 for inclusion in KC's 2017 property tax roll. The KC Assessor's Office is not expected to certify the City's assessed valuation (AV) prior to their December 5 deadline. The total estimated allowable statutory levy amount including new construction, estimates of refunds, and increases in utility valuations is \$16,398,314. Under the 101% limit factor, the levy amount is currently anticipated to be \$14,899,712. Under this year's implicit price deflator (the "IPD") the increase factor of 100.95% the levy amount is currently anticipated to be \$ 14,892,800. State Law requires that the annual increase in the limit is to be the lesser of 1% or the increase in the IDP. State Law further stipulates that in the event that IPD is lower than 1% any increase above the IPD increase and up to 1% requires a separate resolution stating a finding of substantial need by the City Council. In recent years the City has not passed a separate resolution stating a finding of substantial needs. Based on the KC provided estimates, the difference in the 100.95% IDP increase and the 101% increase is approximately \$6,912. The KC Assessor has given the city a preliminary estimate of the City's 2017 assessed value = \$5.1 billion which is a 4% increase over 2016. This preliminary estimate excludes any increases in utility valuations. Because the actual 2017 levy rate is calculated from the final King County certified

ACTION ITEMS (continued):

Agenda Bill #4453; Ordinance #16-1023 (continued): assessed valuation, the final rate is unknown at this time. However, based upon the City proceeding with the 100.95% IDP increase, it is currently anticipated that the levy rate will decrease from the \$2.995/\$1,000 AV that was levied in 2016 to \$2.904/\$1,000 AV for 2017. This decrease in levy rate represents a \$9.10 decrease property tax per \$100,000 value in property valuation. The actual increase or decrease in taxes is dependent upon the actual change in a particular property's assessed valuation. As an example, the owner of a \$250,000 home, with no a particular property's assessed valuation. As an example, the owner of a \$250,000 home, with no change in the King County assessed value of the home, applying the \$2.904/\$1,000 AV rate in 2017 would result in a total annual amount paid to the city of \$726/year (or \$60.51/month).

This Ordinance authorizes a 2017 property tax levy amount of \$14,892,800 based on a levy rate of \$2.904 per thousand AV. The actual levy amount will be determined when the KC Assessor certifies the City's total assessed valuation in December. In 2015 and 2016, the certified tax levy rate was \$3.157 and \$2.995, respectively, per thousand AV.

MOVED BY FERNALD, SECONDED BY CAMPBELL TO PASS AGENDA BILL #4453 (ORDINANCE #16-1023).

MOTION CARRIED UNANIMOUSLY.

**PUBLIC HEARING (PH) & ACTION:
2017-2018 Biennial Budget Public Hearing (PH)**

Mayor Siefkes opened the PH at 7:47 p.m.

Acting Finance Director Pilo briefed on the summary below.

Earl Gipson commented on the decision card process and suggested some changes, including pooling resources on stormwater issues.

Steve Pinto questioned the meaning of SWM related to taxes paid.

Mayor Siefkes closed the PH at 7:52 p.m.

Agenda Bill #4454; An Ordinance #16-1024 adopting the City's 2017-2018 Biennial Budget.

Summary: This Ordinance adopts the 2017-2018 Biennial Budget. The budgeted revenue and expenditure amounts was based on the preliminary budget that was presented by the Acting City Manager on October 3, 2016, and modifications by the City Council during the budget meetings in October and November. In accordance with Washington State law, public notice has been issued following the filing of the preliminary budget for two consecutive weeks prior to the public hearing on the City Council's preliminary budget which is scheduled for November 22, 2016. Following the public hearing on the budget and the property tax levy rate, the City Council may adopt the City's 2017-2018 Biennial Budget.

The budget appropriations are consistent with the City Council directions on what to include or not include in development of the City's Preliminary 2017-2018 Biennial Budget, including maintenance of current service levels, and balancing with budget including the funding of a 33% (4 month), strategic operating reserve for the GF. This Ordinance also adopts by reference the salary schedule for City employees, including any adjustments, COLA, and new positions as discussed at the October and November budget workshops.

MOVED BY KWON, SECONDED BY FERNALD TO PASS AGENDA BILL #4454 (ORDINANCE #16-1024).

MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS (related to Action Items and Unfinished Business: Earl Gipson spoke regarding the parking tax and whether it applies to the POS.

ACTION ITEM:

Agenda Bill #4482; A Resolution setting a procedure for funding of outside human services agencies.

Mayor Siefkes suggested postponing action on this item until the December 13 RCM in order for staff to make the proposed changes:

1. allow Council A&F Committee to review recommendations and make possible changes before HSAC budget is presented to City Council,
2. Two year contract cycle, with a one year termination clause,
3. start process earlier,
4. reports as requested to the A&F Committee or City Council,
5. annual report provided to A&F of all human services providers
6. Dollar amount would be based on preliminary budget

MOVED BY SIEFKES, SECONDED BY CAMPBELL TO POSTPONE COUNCIL ACTION TO THE DECEMBER 13, 2016 REGULAR COUNCIL MEETING AS AN ACTION ITEM.

MOTION CARRIED UNANIMOUSLY.

Agenda Bill #4379; An Ordinance #16-1025 approving the 2017-2019 labor agreement as negotiated between the City of SeaTac and Washington State Council of County and City Employees American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO, Local 3830.

Summary: The current labor agreement extension between the City of SeaTac and the AFSCME, Local #3830, expires on December 31, 2016. City and Union bargaining teams attended PERC collaborative labor negotiations training in June. The teams met at the bargaining table from June 2016 through October 2016 and successfully bargained a tentative agreement. On October 27, 2016 the union membership ratified the tentative agreement. The City Manager is seeking the City Council's approval of the collective bargaining agreement as negotiated and tentatively agreed upon by the Union.

By adopting this Ordinance, the City Council is also authorizing the City Administration to include the anticipated personnel costs of the Agreement into the 2017-2018 biennial budget. In both 2017 and 2018, the proposed labor agreement will provide members of the bargaining unit with 95% of the CPI-W (Seattle/Tacoma/Bremerton, June index) for COLA. In exchange, the bargaining unit members have agreed to exit the Association of Washington (AWC) Benefit Trust, adopt healthcare benefits through the Employers Healthcare Coalition of Washington (EHCW), revamp all life and disability benefits and change carriers from The Standard to Sun Life. These changes result in better benefits for employees at a substantial savings to the City.

By adopting this Ordinance, the City Council is also authorizing the City Administration to include the anticipated personnel costs of the Agreement for 2019 into the 2019-2020 biennial budget development process for Council's approval. In the year 2019, the proposed labor agreement will provide members of the bargaining unit with 95% of the CPI-W for COLA.

HR Manager Audett reviewed the agenda bill summary.

MOVED BY ANDERSON, SECONDED BY FERNALD TO PASS AGENDA BILL #4379 (ORDINANCE #16-1025).

MOTION CARRIED UNANIMOUSLY.

Agenda Bill #4409; A Motion authorizing the City Manager to send a Non-Binding Letter of Interest to participate in the 2018-22 Interlocal Agreement with Regional Animal Services of King County.

Summary: The City of SeaTac, along with twenty-five other cities and unincorporated King County, currently contract with RASKC for animal services which include: Field Response Shelter Service Pet Licensing.

SeaTac first entered into this ILA in 2012. In 2015, SeaTac opted to extend the ILA with RASKC through December 31, 2017.

ACTION ITEMS (continued):

Agenda Bill #4409 (continued): KC, RASKC and a Joint Collaboration Committee made up of representatives from participating cities, are working to develop the terms of a new agreement which will begin January 1, 2018.

In order to determine more accurate cost and service projections, KC and RASKC are asking participating cities to provide a Non-Binding letter of interest to extend the ILA, when this one expires at the end of 2017. The Non-binding letter of interest is due to KC and RASKC by December 31, 2016. Proposed terms of the draft ILA include: 5 year term (2018-2022), No Change in Service Cost Allocation methodology, 80% service usage, 20% based on jurisdiction population, and 3 year rolling average.

This information was first introduced to the Public Safety and Justice (PS&J) Committee on September 29, 2016; the Committee recommended that this motion be brought before the full Council for consideration and direction. The PS&J Committee also recommended that this topic become a standing committee item in order to explore potential alternatives to the ILA/RASKC and to monitor progress on the terms of the new ILA throughout 2017.

The current contract with RASKC is in effect through December 31, 2017. SeaTac costs are projected to increase in 2017, due to increased usage (field and shelter) and increased population. If usage and population continue to increase over time, costs could continue to increase as well. SeaTac can significantly reduce this cost by increasing our participation in Pet Licensing services* provided by RASKC (canvassing, marketing, etc).

ILA Cost Allocation Model: Services are divided into three categories (control/field; shelter and licensing). Participating cities purchase all three services; costs allocated among cities based on population (20%) and usage (80%). *All pet licensing revenues are credited to the jurisdiction in which they are generated, to offset against costs otherwise payable. Pet licensing revenues received in excess of costs are redistributed within the system to benefit all participating cities.

Police Chief Mulligan reviewed the agenda bill summary.

MOVED BY ANDERSON, SECONDED BY FERNALD TO PASS AGENDA BILL #4409.

MOTION CARRIED UNANIMOUSLY.

Agenda Bill #4467; A Resolution #16-025 adopting the 2017 City of SeaTac Fee Schedule.

Summary: This Resolution amends the City's Schedule of License Fees, Permit Fees, Other Fees and Charges for City Services (Fee Schedule) assessed for various services provided by the City. The Fee Schedule includes fees for services provided to the public by and through all City Departments. This Resolution replaces the existing schedule with the updated schedule. Changes in the City's Fee Schedule are needed periodically to reflect changes in codes and the cost of providing services to the public. This Resolution and Fee Schedule incorporates general updates, additional fee categories, reduction/consolidation of some fees, elimination of fees, clarification of fee applicability measures, revisions to fee amounts and calculations, and overall reformatting of the schedule for better consistency and readability.

The revised Fee Schedule also incorporates adjustments required by the annual Consumer Price Index of Washington (CPI-W) adjustment methodology and the achieves the requirement for a biennial review by the City Manager as established in Resolution #14-016. This Resolution and updated Fee Schedule address all of these guidelines. Passage of the Resolution will institute a more business-minded approach to cost of service fee recovery while maintaining competitive pricing of services with surrounding jurisdictions. The revisions also result in simplification and ease of use for our customers and will assist in creating a streamlined process of review and accuracy of implementation internally for staff.

If this Resolution is passed by the City Council, the updated Fee Schedule will maintain (and not increase) fee revenues at the level comparable to the current 2015-16 budget estimate, as adjusted by the CPI-W on January 1, 2017 and January 1, 2018. These estimated revenues were included as part of the proposed Preliminary 2017-18 Biennial Budget.

ACTION ITEMS (continued):

Agenda Bill #4467; Resolution #16-025 (continued): If the Council does not approve the updated Fee Schedule, the new, modified and reduced fees will not be incorporated. The existing Fee Schedule will remain in effect and will be updated by the CPI-W on January 1, 2017 and January 1, 2018 as required by Resolution #14-016.

Acting CED Director Robinson reviewed the agenda bill summary and highlighted some of the fee changes: business licenses, technology fees, and building permit fees.

Council discussion ensued regarding the proposed fee increases and whether they are cost recovery fees.

Mr. Scorcio clarified why all fees can't be cost recovery fees.

MOVED BY FERNALD, SECONDED BY CAMPBELL TO PASS AGENDA BILL #4467 (RESOLUTION #16-025).

MOTION CARRIED UNANIMOUSLY.

Agenda Bill #4468; An Ordinance #16-1026 amending portions of SeaTac Municipal Code Chapter 3.70 adjusting the Commercial Parking Tax Rate.

Summary: Since 1998, the City of SeaTac has been collecting a local option transportation tax (Commercial Parking Tax) as authorized by Revised Code of Washington (RCW) 82.80.030 and codified in SMC Chapter 3.70, to fund transportation related projects, operations and maintenance activities. The tax was initially set at \$1 per parking transaction and remained at that amount thru 2005. Beginning in 2006, the parking tax was broken into two different types of transactions, short and long term. Between 2006 and 2010 the long term rate was gradually increased to \$3 per transaction while the short term rate was gradually decreased to \$0.90 per transaction. These tax rates per transaction remain the same today, and have resulted in approximately \$92M in tax revenue collected thru 2015.

For comparison purposes, if the City had not established a lower rate for short term transactions, and if the overall rate had increased annually by the consumer price index (CPI-W), it is estimated that the tax revenue collected through 2015 would have been \$137M. The difference represents the loss of \$45M worth of traffic and transportation related investments to address the impacts on the City's transportation network and infrastructure. Had this Consumer Price Index been applied to the per transaction tax rate from the beginning, the tax per transaction today would be approximately \$3.80 per transaction. The Ordinance proposes a 2017 Parking tax rate of \$3.15 per transaction.

A Stakeholders meeting was held on October 19, 2016 to obtain feedback from those businesses and parties within the community that will be affected by this Ordinance.

Recognizing that the impact that vehicles have on the City's transportation infrastructure is based on the number of trips and not on the duration of parking, and that the cost of construction continues to increase over time as evidenced by the Washington State Department of Transportation Construction Cost Index (WSDOT CCI), the following commercial parking tax changes are proposed: (1) Apply a single tax rate to all parking transactions regardless of duration; (2) Increase the parking tax rate to \$3.15 per transaction, effective January 1, 2017, and (3) Apply an automatic annual increase to the Commercial Parking Tax based on the CPI-W of the preceding year beginning January 1, 2018.

Adoption of a single parking tax rate of \$3.15 per transaction, effective Jan 1, 2017, and allowing the parking tax rate to automatically increase each year thereafter by the rate of inflation associated with the CPI-W, is estimated to increase the annual parking tax revenue from \$7.9M to \$10.4M in 2017 and \$10.8M in 2018 (assuming a 2% inflation rate).

The 2015 Transportation Master Plan identifies the need for approximately \$11.5M annually in order to fully fund (in 2014 dollars) the priority transportation programs and capital projects thru 2035. By adopting the Ordinance, the City will take another step forward toward meet this funding requirement.

PW Director Appleton reviewed the agenda bill summary.

ACTION ITEMS (continued):

Agenda Bill #4468; Ordinance #16-1026 (continued): Mr. Scorcio stated he had a follow up conversation with the POS last week regarding their concerns. They have not provided an alternative. Staff has considered many alternatives to address concerns of all stakeholders.

Discussion ensued regarding phasing in the rate increase, short term versus long term parking, CPI implementation, and concerns and issues of stakeholders. Stakeholders are businesses that collect the tax. Tax is imposed on users of the parking.

MOVED BY FORSCHLER, SECONDED BY CAMPBELL TO PASS AGENDA BILL #4468 WITH DELAYING THE CPI UNTIL 2018 (ORDINANCE #16-1026).

MOTION CARRIED UNANIMOUSLY.

UNFINISHED BUSINESS: None

NEW BUSINESS:

Mayor Siefkes requested the Human Services Funding Allocations be referred to the A&F Committee for the 2017/2018 budget. Council concurred.

CITY MANAGER'S COMMENTS: Acting City Manager Scorcio commented on the following: (1) thanked Council for getting through the budget tonight, (2) Airport Flight Corridor/Tree Removal – addendum has been issued, appeal has been resolved, all studies are being done that were requested, (3) January 5 – 6 p.m., Firs Mobile Home Park Relocation Plan Appeal Hearing, (4) Critical Areas – confirmed by state that SeaTac fully complies with state law; (5) Employee Recognition Event – Customer Service Award: Mary Kate McGee, Extra Mile Award: Jay White & Clemmons Barrabas, The SeaTac Award: Bart Perman, The Diversity Award: Colleen Brandt-Schluter, and Officer of the Year: Steve Johnson; (6) December 1 - Annual Tree Lighting; (7) December 1 – Special A&F Committee Meeting at North SeaTac Community Center; (8) December 2 - Sidewalk Advisory Committee Applications Due; (9) \$500 donation received from the Shirley Coulson estate; and (10) Grant notification – Transportation Improvement Board (TIB) \$2,367,000 for improvements to the Military Road area between South 150th and 152nd Streets.

COMMITTEE UPDATES: CM Anderson provided an update from the National League of Cities (NLC) Public Safety & Crime Prevention Committee.

CM Campbell reviewed her attendance at the NLC conference.

CM Forschler stated the Land Use & Parks (LUP) committee meeting was postponed to December 14. He reviewed the South County Area Transportation Board (SCATBd) Meeting he attended in CM Kwon's absence.

Mayor Siefkes reviewed the SeaTac Airport Committee Meeting.

COUNCIL COMMENTS: CM Campbell thanked staff for all of their hard work and wished everyone a Happy Thanksgiving.

CM Forschler requested the city ask the state for help in paying for updating the 2007 POS study. Acting CED Director Robinson stated staff has worked with Senator Orwall and already written proviso requesting \$500,000 to update the study. SeaTac would be the lead, but include the other cities.

CM Kwon reviewed his attendance at the NLC.

CM Sitterley thanked everyone who has helped her and supported her along the way this past year.

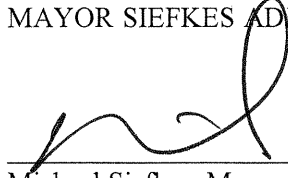
CM Anderson stated the Holiday of Hope event is November 27.

\COUNCIL COMMENTS (continued): DM Fernald commented on the following: November 14 - Volunteer appreciation lunch, she encouraged people to get involved, and Vicki Lockwood received police services volunteer of the year award; December 3 – Bazaar at Tyee Complex; and thankful for staff, Council, and many things. She wished everyone a Happy Thanksgiving.

Mayor Siefkes wished everyone a Happy Thanksgiving and stated his appreciation of everyone.

ADJOURNED:

MAYOR SIEFKES ADJOURNED THE REGULAR MEETING OF THE SEATAC CITY COUNCIL AT 9:38 P.M.



Michael Siefkes, Mayor



Kristina Gregg, City Clerk