



# Special Administration and Finance Committee Meeting Minutes

December 7, 2017  
3:00 PM  
SeaTac Community Center

Members:	Present:	Absent:	Commence:	3:00 P.M.
			Adjourn:	4:04 P.M.
Erin Sitterley, Chair	X			
Peter Kwon	X			
Pam Fernald	X			

Other Council Members Present: Kathryn Campbell (arrived @ 3:35PM)

Staff Coordinator: Gwen Pilo, Finance Director

1. Public Comment	<i>None</i>
2. Review of the Minutes	<p><u>  X  </u> Recommended for Approval</p> <p><i>A copy of the November 16, 2017 minutes was provided to the committee for review. The committee had no revisions and the minutes were approved as written.</i></p>
3. Council/City Manager Travel Pre Approval or Final Approval	<p><u>  X  </u> Recommended for Approval</p> <p><i>Finance Director, Gwen Pilo, presented two items for A&amp;F approval related to council travel:</i></p> <ol style="list-style-type: none"> <li><i>1. Expense approval for Peter Kwon NLC City Summit Amount: \$1,430.75 The committee voted to approve. Councilmember Kwon abstained from voting.</i></li> <li><i>2. Refund approval for Peter Kwon Re-Wire Conference Amount: \$(249) The committee voted to approve. Councilmember Kwon abstained from voting.</i></li> </ol>

<p>4. Vacant Positions Update</p>	<p><u>X</u> Informational Update</p> <p><i>City Manager, Joe Scorcio, provided a handout detailing the status of vacant positions within the City.</i></p>
<p>5. City Manager Search Survey Results</p>	<p><u>X</u> Informational Update</p> <p><i>City Manager, Joe Scorcio, provided the committee with the raw data compiled from the City survey designed to get input from citizens on what they are looking for in the next City Manager. A link to the survey results will be in the City Manager's Weekly update.</i></p>
<p>6. Passport Services Program</p>	<p><u>X</u> Informational Update</p> <p><i>City Manager, Joe Scorcio, along with Senior Assistant City Attorney, Mark Johnsen, and City Clerk, Kristina Gregg discussed with the committee the future of City passport services. This discussion was brought to the A&amp;F committee at a previous meeting and resulted in the City reducing their passport services to appointment only. The recent elimination of the Judicial Support Specialist directed staff to ask the question of how to continue supporting passport services and in what department. Staff asked the committee if they wished to continue offering passport services at all or if it should be phased out. Discussion ensued. The committee agreed there are many other locations close to City Hall that offer passport services and the City does not need to continue offering passport services. The committee recommended phasing out this service over the next month, and ultimately discontinue the service completely as of December 31<sup>st</sup>, 2017. This recommendation will be brought to the full council at the December 12<sup>th</sup> Council Meeting for a final decision.</i></p>
<p>7. Fund Balance Reserve Policies</p>	<p><u>X</u> Informational Update</p> <p><i>Finance Director, Gwen Pilo, provided the committee with a matrix of policy types detailing if the City of SeaTac currently has the policy in place and a copy of the Financial Management Policies included in the Budget Document. Ms. Pilo expressed the importance of having strong financial policies and discussed with the committee her desire to develop missing policies or revise outdated/insufficient financial policies. The committee was in favor of this action. The recommendation is to begin with a reserve policy in preparation of the 2019-2020 budget discussion. Ms. Pilo will create a draft policy and bring it back to a future A&amp;F meeting for discussion.</i></p>

<p>8. Future Meeting Schedule/Topics</p>	<p><i>The December 21<sup>st</sup> A&amp;F Meeting has been cancelled. The next A&amp;F Meeting will be held on January 4<sup>th</sup> at 3:00PM.</i></p>
----------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------

## Pre-approval or final approval of City Council and City Manager travel related expenses

### Travel Approval:

NLC Congressional City Conference  
March 11-14, 2018  
Washington, DC

Budget Information: We budgeted for two Councilmembers to attend in 2018 at \$3,625 each

Peter Kwon	A&F Approval Date: 1.4.18 Estimated Costs	A&F Approval Date: 1.4.18	A&F Approval
Lodging (5 nights @ conference hotel)	\$1,600		
Meals			
Transportation - airfare	800		
Registration (early bird 12/13/17)	705	705	
<b>Total</b>	<b>\$3,105</b>	<b>705</b>	

Aviation Noise Conference  
Feb 25 – 27, 2018  
Long Beach, CA

Budget Information: This Conference was not budgeted, but can be absorbed in the City Council's travel allocation for 2018.

Mike Siefkes	A&F Approval Date: 1.4.18 Estimated Costs		A&F Approval
Lodging, 2 nights	500		
Meals	124		
Transportation – airfare and ground	400		
Registration	650		
Workshops	95		
<b>Total</b>	<b>1769</b>		



# City of SeaTac Human Services Needs Assessment

January 2018



# Background

---

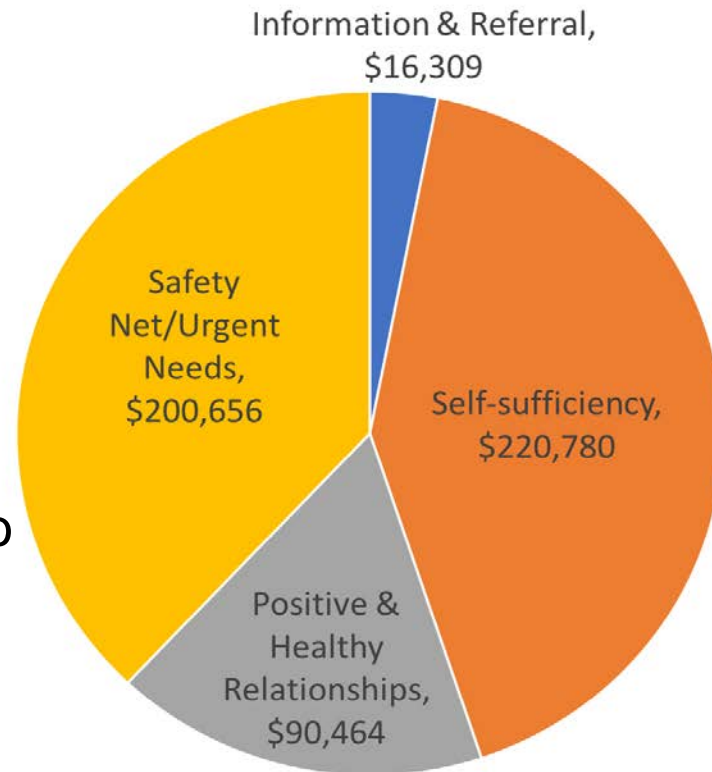
- SeaTac adopted first Human Services Plan in 1999 to address six priorities:
  - Basic needs, primary care, domestic violence services, information and referral, independent living, and refugee and immigrant services
- Currently dedicates 1.5% of general fund budget to human services grants to community organizations



# 2017-18 Grant Funding

- 1.5% equated to \$528,000 in 2017
- 26 agency contracts funding 36 programs per year
- **Results-Based Accountability**
  - Agencies contracted to reach 90% of their combined goals
  - All currently on track or exceeding

Categories of SeaTac Human Services Funding  
2017





# Purpose & Approach

---

- City wanted to better understand the community's needs to better inform investments in human services
- Used mixed-methods research to conduct assessment
  - Combination of extant data analysis, and qualitative data gathered through interviews and forums





# Approach

Housing and Neighborhood Quality	Mobility and Transportation	Health and Environment	Education	Economic Health
<ul style="list-style-type: none"><li>• Vacancy rate</li><li>• Foreclosure rate</li><li>• High cost loan rate</li><li>• Housing stock condition</li><li>• Crime index</li></ul>	<ul style="list-style-type: none"><li>• Cost per commute</li><li>• Proximity to bus stops</li><li>• Average transit fare</li><li>• Percent of commuters who walk</li></ul>	<ul style="list-style-type: none"><li>• Distance to nearest park or open space</li><li>• Proximity to toxic waste release</li><li>• Percent of area that is within a food desert</li></ul>	<ul style="list-style-type: none"><li>• Math test scores</li><li>• Reading test scores</li><li>• Student poverty<ul style="list-style-type: none"><li>• Teacher qualifications</li><li>• Graduation rates</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Access to living wage jobs</li><li>• Job growth trends, 2000-2010</li><li>• Unemployment rate<ul style="list-style-type: none"><li>• Access to banking</li><li>• Internet connections</li></ul></li></ul>

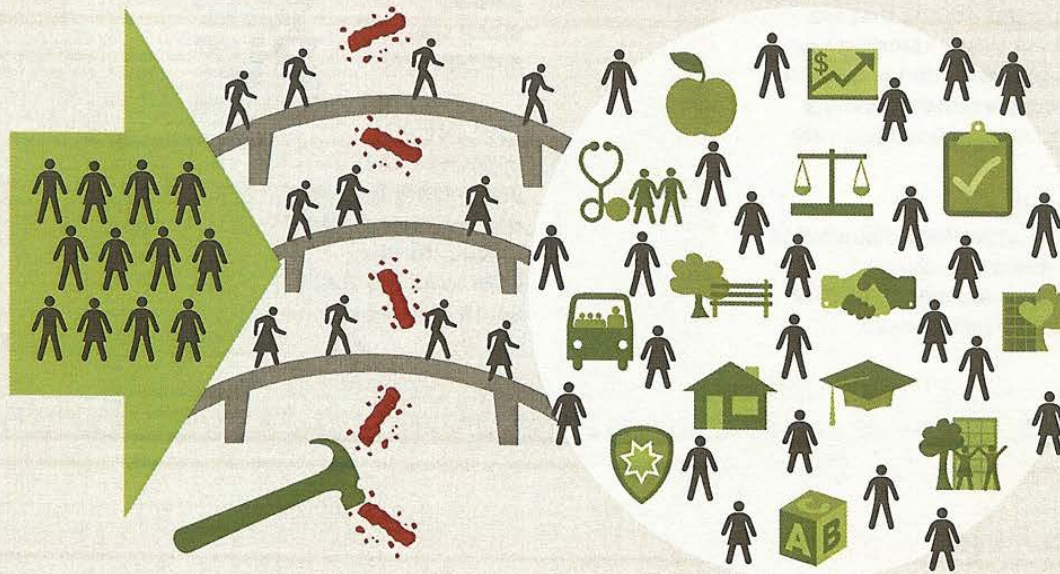
# Social Determinants

KING COUNTY IS FOCUSING ON REMOVING BARRIERS AND INCREASING ACCESS, SO ALL PEOPLE HAVE THE OPPORTUNITY TO THRIVE.

## REMOVING BARRIERS

## GREATER ACCESS TO DETERMINANTS OF EQUITY

## THRIVING PEOPLE AND COMMUNITY



### HIGHER:

- ON-TIME GRADUATION
- WAGES
- EDUCATED AND SKILLED WORKFORCE
- QUALITY/ AFFORDABLE HOUSING

### LOWER:

- HEALTH CARE COSTS
- HEALTH PROBLEMS
- CRIME
- UNFILLED HIGH-SKILLED JOBS
- INCARCERATION



# Conclusions

---

- City is rapidly changing
  - Population is growing, and diversifying
  - Needs of residents are increasing and growing more complex
- The City is doing the right thing by committing funding to human services
- For long-term impact, need to address structural conditions of inequity through leadership and collaboration



# Funding Strategy Recommendations

---

- 1) Focus on a few priorities and fund fewer organizations to achieve more impactful results
- 2) Implement a more rigorous procurement process to ensure quality of services and a more efficient review
- 3) Continue piloting Results-Based Accountability for contractors and monitor results to improve next funding cycle
- 4) Award additional points to organizations that can use funds as match to other funding



# Strategic Planning Recommendations

---

- 1) Become a leader in convening local governments as regional partners to address costly problems
- 2) Use the Opportunity Index and Social Determinants of Health as a framework for prioritizing in order to achieve greater social equity
- 3) Align the City's human services functions and capacity with the City's overall strategic plan for the community
- 4) Ensure coordination with other city departments and programs responsible for related issues (housing, health, recreation)
- 5) Develop a pro-active community engagement strategy where city staff and leadership reach out, meet, and converse with community members and organizations in their settings rather than solely at city events and facilities





# **FINDINGS & RECOMMENDATIONS**

## **BY AREAS IDENTIFIED AS PRIORITIES**



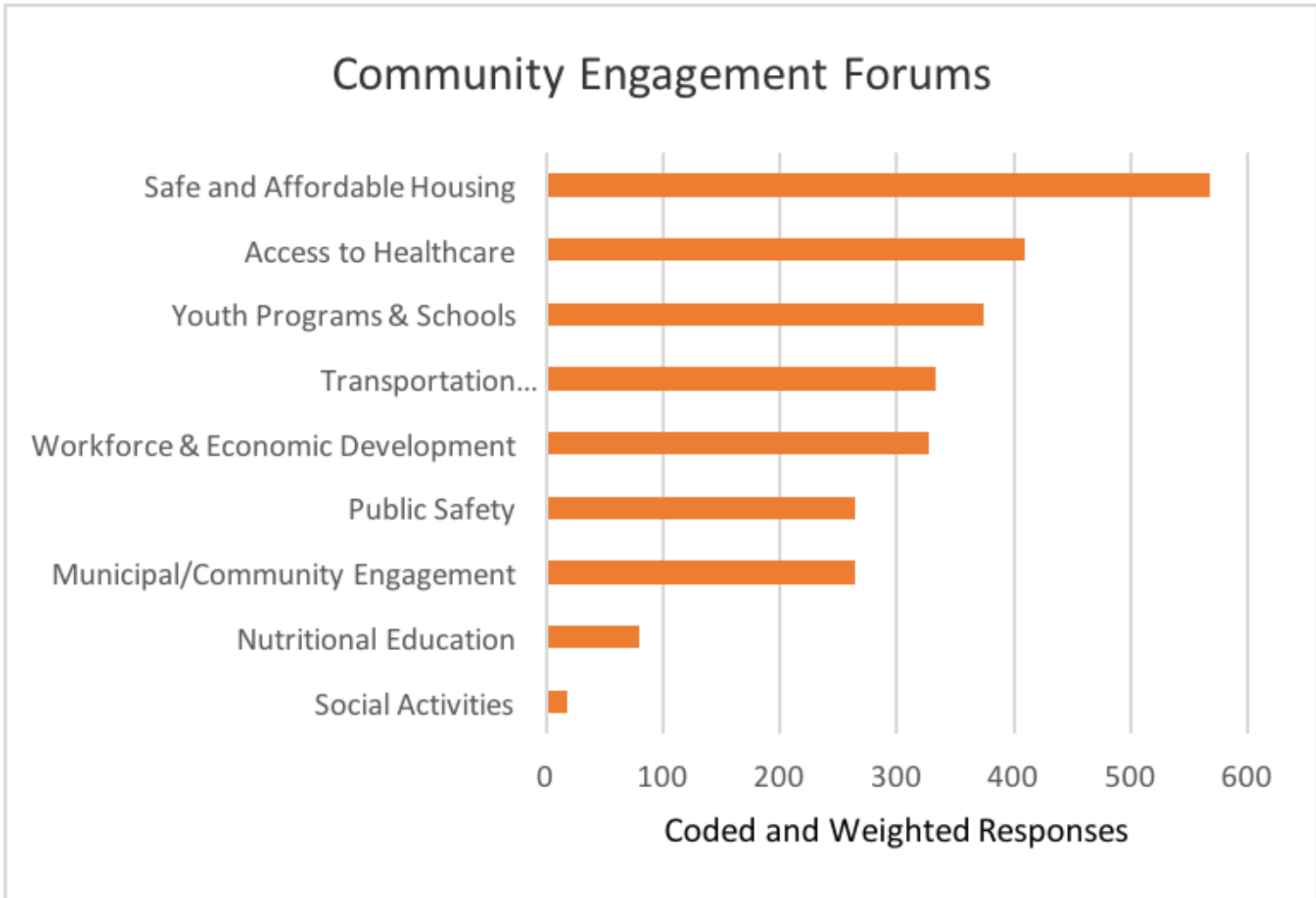
# A Call to Action

---

- The needs of the community are increasing and becoming more complex
- A greater level of commitment to addressing inequity is imperative if SeaTac is to be successful in meeting the community needs
- This requires an engaged and communicative leadership and new approaches to addressing persistent and growing challenges



# Community Priorities

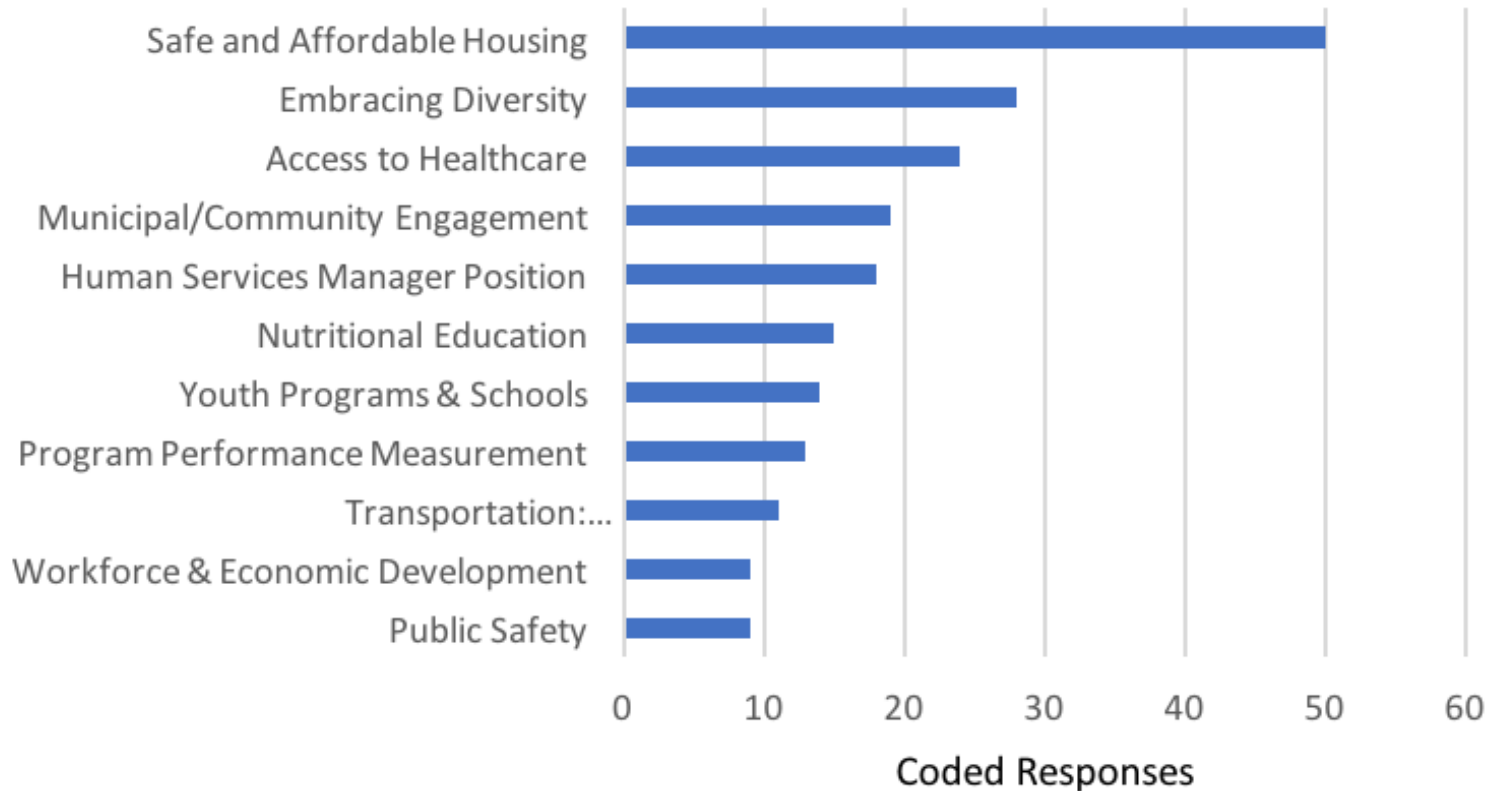






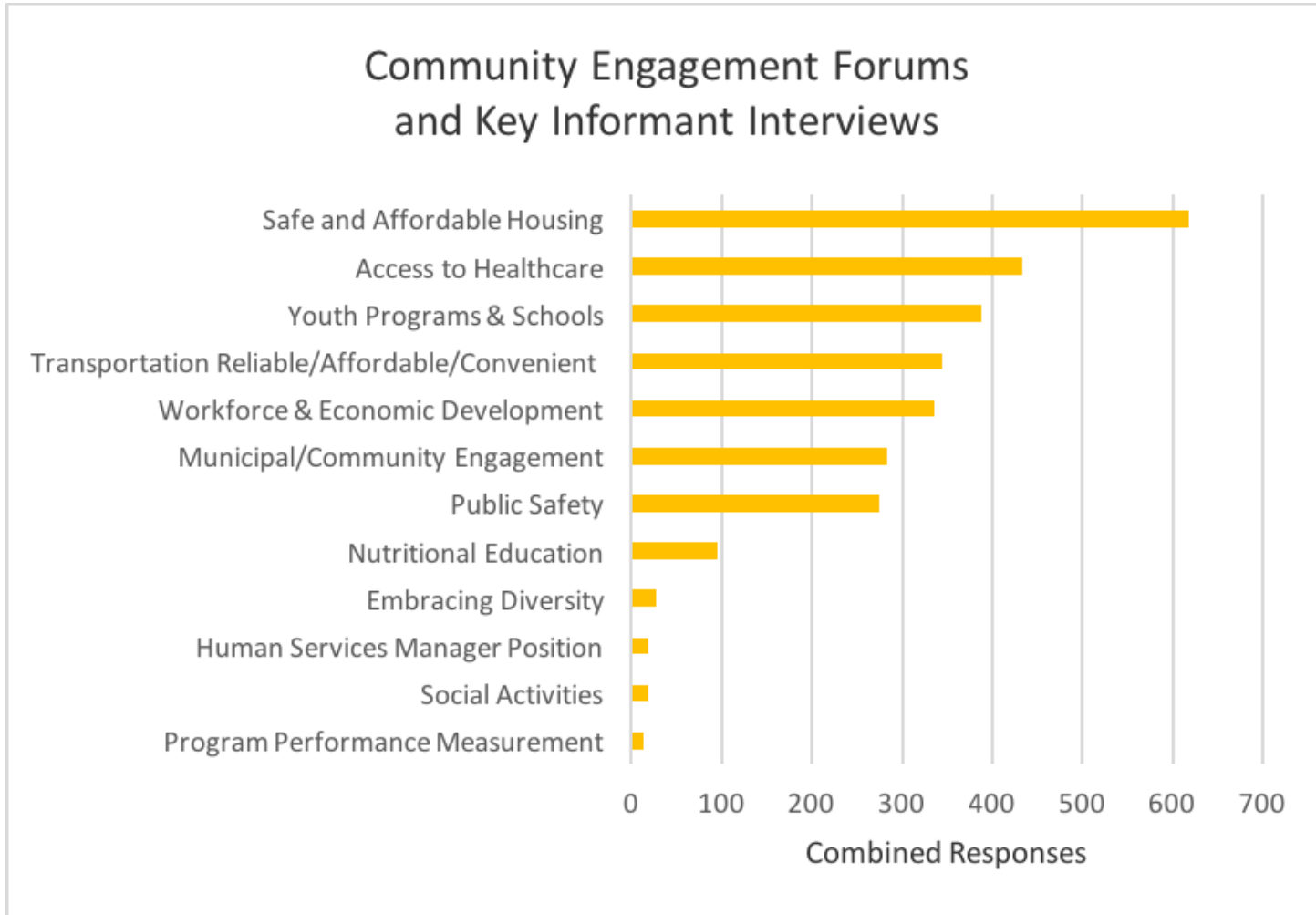
# Community Priorities

## Key Informant Interviews





# Community Priorities





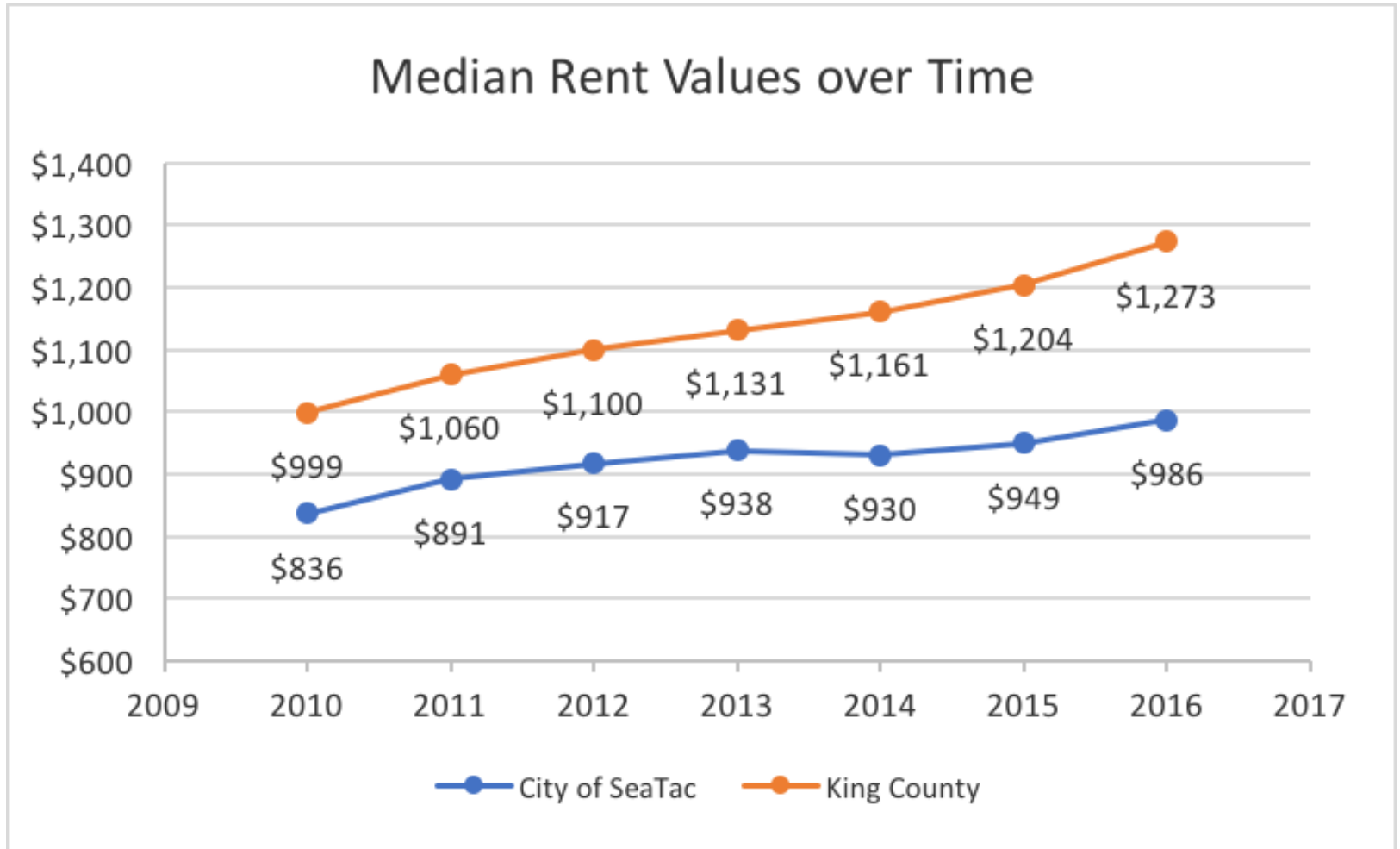
# Housing and Neighborhood Quality

---

- Lack of safe and affordable housing in SeaTac is reaching a crisis level and homelessness is increasing
- Almost half of SeaTac residents live in rental properties that are aging and increasingly substandard (mold, lead, etc.)
- Crime rates have remained steady however domestic violence assaults occur more in South King County



# Housing and Neighborhood Quality





# Housing and Neighborhood Quality

---

- 1) Continue to work with partners in the Comprehensive Plan and with South King Housing and Homelessness partnership
- 2) Expand opportunities through participation on the King County Regional Affordable Housing Task Force
- 3) Identify gaps and consider investing resources in areas in most need, such as affordable housing for households at 30% AMI
- 4) Support utility assistance, rental inspection programs, and relocation assistance to prevent homelessness and preserve current affordable housing
- 5) Adopt tenant protections that prevent discrimination
- 6) Consider use of zoning and land use tools to support housing development that will meet the needs of the community



# Health and Environment

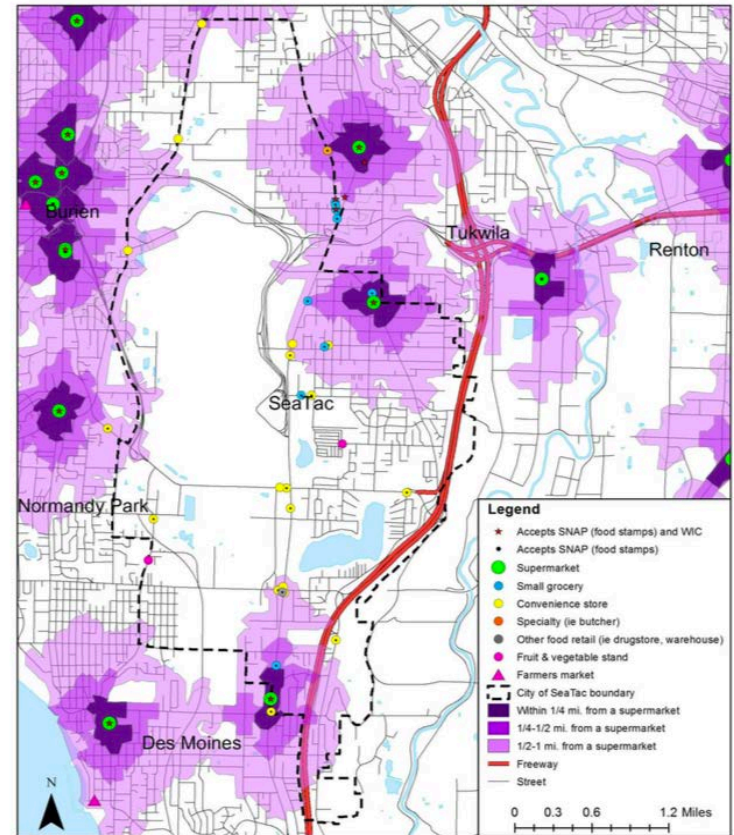
---

- SeaTac residents have higher health risk factors and chronic diseases
- Access to healthcare is a significant challenge with lowest rates of health insurance and second highest rates of unmet medical needs in the county
- SeaTac/Tukwila ranked 7<sup>th</sup> among 26 KC Areas for homicide and motor vehicle accident deaths
- Second lowest rates of firearm-related deaths and amongst lowest rates of suicide in King County

# Health and Environment

- There are low-income residential areas in SeaTac that are not within feasible walking distance of a supermarket
- There are twice as many fast food restaurants and convenience stores as the combined number of grocery stores, supermarkets and produce vendors

Proximity to Supermarkets in SeaTac, WA



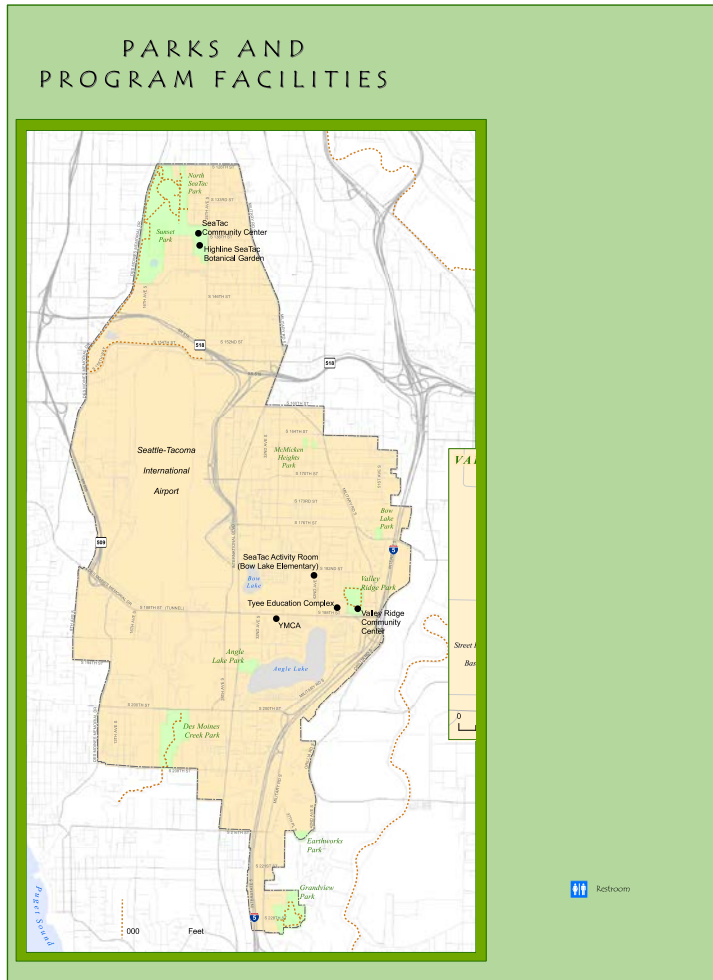
Sources: Public Health- Seattle & King County, King County GIS Center, Washington State Dept. of Social and Health Services and Dept. of Health.

\*Food retailers identified by public health permit database (March 2011) and DSHS food stamp retailer database (April 2011).

Made possible by funding from the Department of Health and Human Services and Public Health - Seattle & King County.

 Created May 2011 by Urban Food Link

# Health and Environment



- Household proximity to parks and open green space
- There are limited exercise facilities accessible to those with low income





# Health and Environment

---

- 1) Focus on increasing the affordability and access to health care by supporting health centers that serve uninsured or help people get insurance
- 2) Consider continued investment in food banks and expanding community gardens
- 3) Promote physical activity for healthy living by sponsoring community events or fairs to raise awareness
- 4) Support neighborhood events to help neighbors get to know one another better and feel safer
- 5) Support the hiring of police officers that are bilingual and reflect the diverse community





# Supporting Educational Opportunities

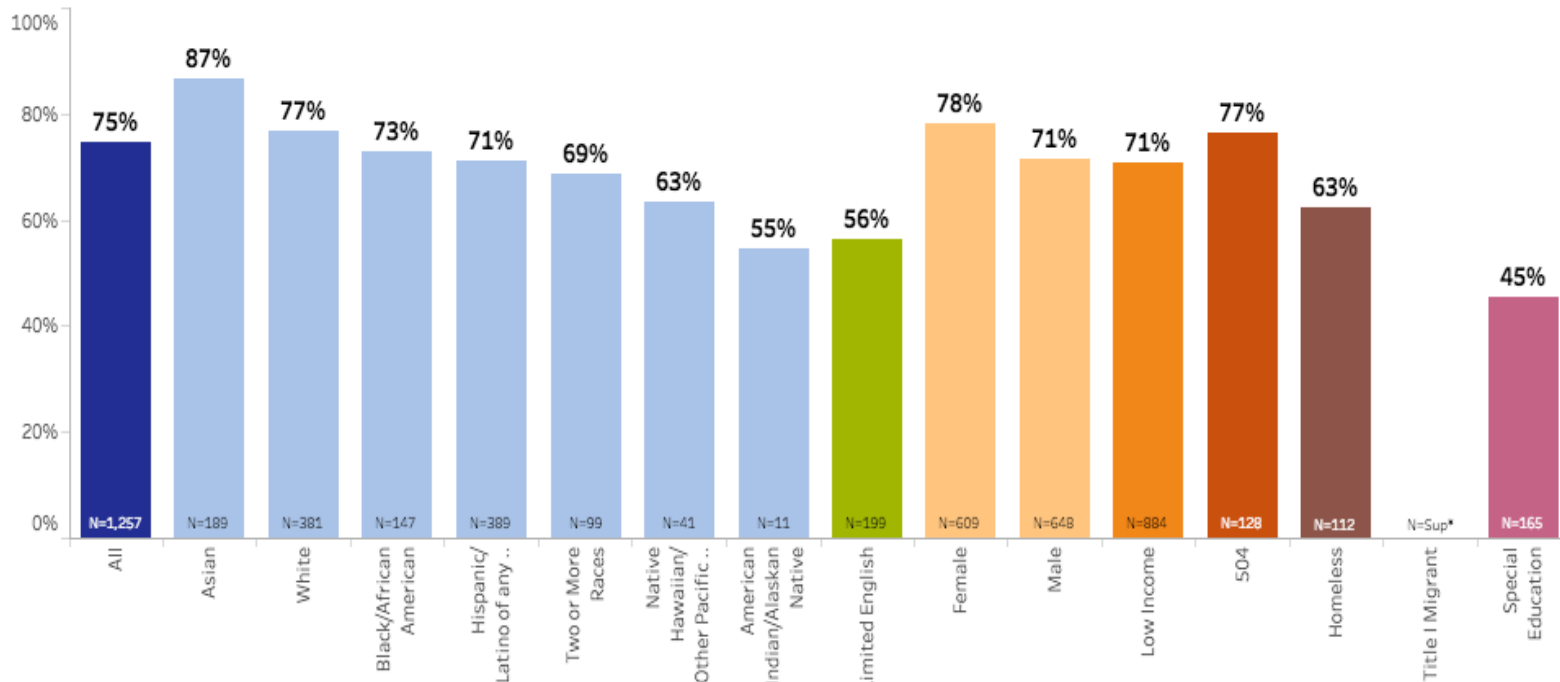
---

- Highline School District is one of the most diverse school districts in the nation
- Parents want more affordable programs to support their students' academic success
- Teens are eager for local internship opportunities and jobs



# Education

Highline School District students who graduate high school on time, categorized by demographic group





# Education

---

- 1) Continue supporting after-school programs for children of all ages, and focus on teen programs, including job skill training and local internships



# Improving Mobility and Transportation

---

- Unique landscape and geography due to the SeaTac airport make it difficult to travel around SeaTac
- Mass Transit options are limited and there are barriers to access



# Mobility and Transportation

---

- 1) Fund a few discreet pilot projects to enhance door-to-door transportation for the city's most vulnerable populations
- 2) Work collaboratively with the city's Transportation Department, King County, Sound Transit Authority and other partners to enhance bus transit and pilot alternative transportation options
- 3) Support programs and agencies that offer free and discounted transit passes, discounted or paid for Uber/Lyft rides, and consider expanded funding for the taxi script program
- 4) Cultivate "shared parking" relationships to provide more free and additional parking options near transit centers through creative partnerships with community-based organizations



# Improving Economic Health

---

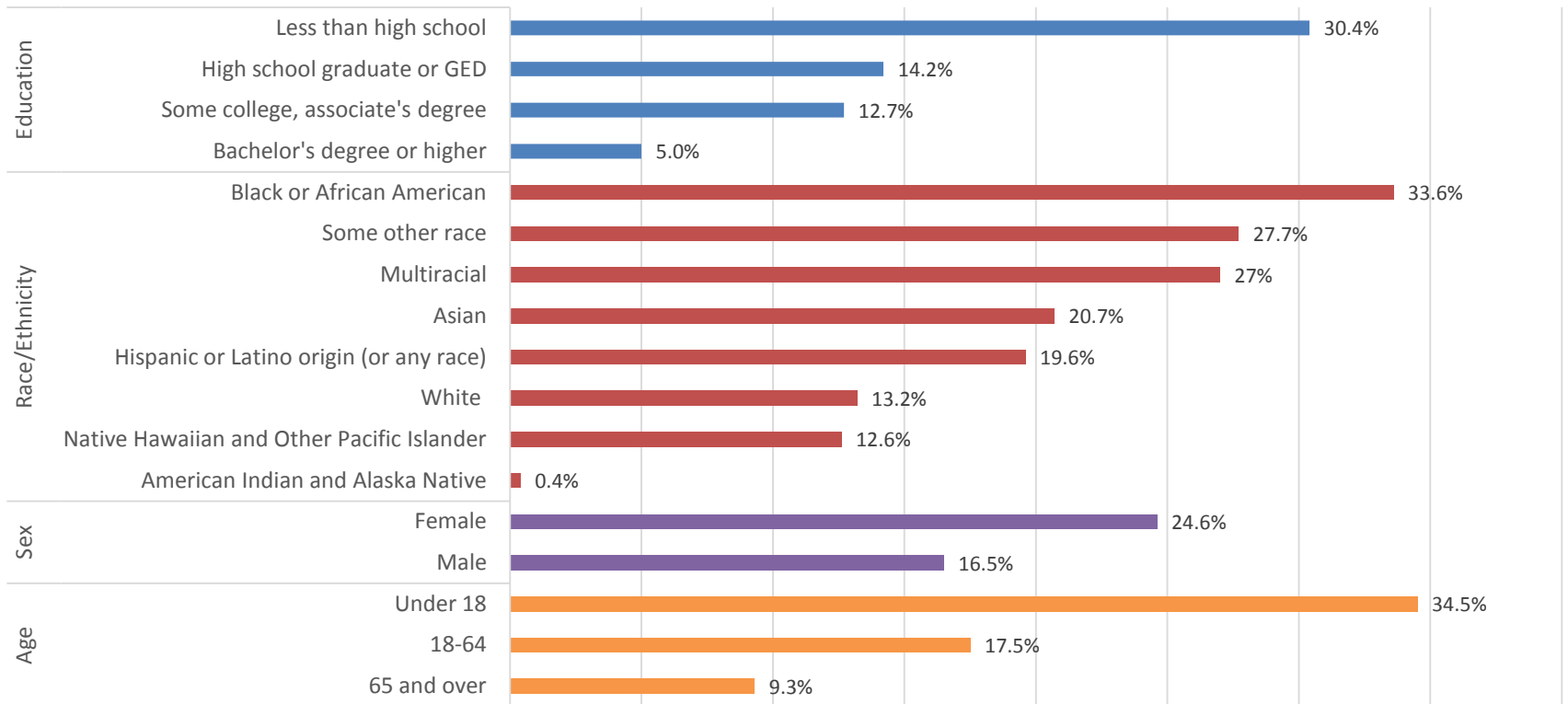
- The median household income is around \$46,000 compared to \$81,000 in KC and \$64,000 in WA
- Skills training and certification, especially for refugees and immigrants, is lacking availability and/or awareness
- Residents appear to need better access to banking and financial literacy education



# Economic Health

SeaTac has higher poverty rates (20.5%) when compared to US (15.5%) that disproportionately impact children and people of color

Rates of Poverty by Demographic group







# Economic Health

---

- 1) Continue participating in regional workforce development workgroups to influence how state and federal funding is invested in SeaTac
- 2) Consider funding job skills training and employment assistance for residents ineligible for county, state, or federal programs
- 3) Seek to leverage opportunities for job training in partnership with Port of Seattle

The logo for KONÉ CONSULTING features a stylized orange 'K' shape on the left, with the word 'ONÉ' in orange above a black 'C' that has a green sprout with two leaves growing from its top. To the right of this logo, the word 'Conclusion' is written in a dark blue, sans-serif font.

# Conclusion

---

- The City is a powerful voice for equity and empowerment of your residents.
- Opportunity to create more equity in human services funding and distribution of resources
- Providing information and referral to ensure human services investments serve entire community- not just those “in the know” is still valued



Questions or Comments?

**THANK YOU**



## Seattle City Light Electrical Rates in the City of SeaTac

### Background

Several questions have been raised by a SeaTac resident (Mrs. Janice Taylor) regarding Seattle City Light (SCL) service in the City of SeaTac. The answers to these questions, provided below, can be found in the franchise agreement between the City of SeaTac and SCL (Attached).

On 6/23/15 Council passed Ordinance No 15-1007 which granted Seattle City Light (SCL) a non exclusive franchise to construct, maintain, operate, replace and repair and electric utility system, over, along, under, and through designated public rights-of-way in the City of SeaTac. The agreement (attached) is effective thru September 30, 2030.

### Questions/Answers

**1. Why are SeaTac electrical rates higher than those charged to Seattle customers?**

SCL charges higher rates for all their franchise cities (see the table of rates provided in the additional information sheet, # 9) to account for the higher costs of servicing and maintaining the distribution system need to serve these communities. The rates paid by SeaTac residents are equal to those paid by Shoreline residents and within approximately 1% of those paid by Tukwila and Burien residents. When compared to residential rates charged by PSE within SeaTac, SCL customers are paying approximately 1% higher rates (see the additional information sheet, 1 &2)

Also contributing to the higher rates charged by SCL is the contract fee paid to the franchise cities (SeaTac, Shoreline, Burien and Tukwila) in consideration for them agreeing not to exercise their authority to establish their own electric utility or impose a utility tax on SCL during the term of their franchises (see Section 4 of the attached franchise agreement). The fee is generated thru a rate differential between SCL customers in the franchise cities and those in Seattle. For SeaTac, the rate differential totals 8%, with 6% going to the City of SeaTac and 2% going to SCL. The other franchise cities also have similar agreements. SCL treats these increased costs as system wide operating expenses and factors them into the rate charged to all of its customers, including City of Seattle customers.

**2. What is the status of installing new electrical meters in SeaTac?**

Seattle City Light started the new meter installation program in 2014 and has been installing the meters within their service area from north to south. Meter installation in SeaTac is expected to be completed in the fourth quarter of 2018.

The link for the advanced meter program is:

<http://www.seattle.gov/light/ami/>

**3. Does SeaTac have representation when it comes to decisions being made by the Seattle City Council that affect SCL Franchise customers?**

Yes, Section 4.1.5 of the franchise agreement requires that the Mayor of Seattle appoint a member nominated by the suburban cities to the SCL Review Panel. Gail Labanara (Tukwila) is the franchise city representative on the Review Panel and is the Chair of the Panel this year. Her email is [Gail.Labanara@TukwilaWA.gov](mailto:Gail.Labanara@TukwilaWA.gov)

<http://www.seattle.gov/citylightreviewpanel/>

## Additional Information

1. Seattle City Light annual rate increases are part of the bi-annual rate setting process. 2018's rates were passed in the 2017-2018 budget and rate setting process in Fall 2016, which is a very public process.

<http://www.seattle.gov/light/rates/>

2. Rates are set based on work done through the strategic plan which is updated biannually. The last update to the Plan was discussed at our annual franchise city forum in Spring 2016; the next update will take place in early 2018. The Review Panel is very active in review of rates and the Strategic Plan.

<http://www.seattle.gov/light/stratplan/>

3. Winter power rate for SeaTac residents are as follow:

### **Seattle City Light – Winter Rates (Excludes 1.5% RSA \*)**

- Base Service Charge – 17.51 cents per meter per day
- First 16KWh per day – 7.08 cents per KWh
- Each additional KWh per day – 13.62 cents per KWh
- **Residential Bill for 1000KWh over 1-month - \$109.95**

- \* *Currently a 1.5% Rate Stabilization Account (RSA) surcharge is in effect, which impacts all SCL ratepayers. An RSA explanation is provided at the end of this Information sheet.*

### **Puget Sound Energy (PSE)**

- Basic Charge - \$7.87
- First 600KWh – 10.04 cents per KWh
- Usage Above 600KWh – 11.92 cents per KWh
- Energy Exchange Credit – (.00678 cents per 1000KWh)
- **Residential Bill for 1000KWh over 1-month - \$108.63**

4. The City of SeaTac has franchise agreements with both providers of electrical power within the City; they are Seattle City Light (SCL) on the north end of the City and Puget Sound Energy (PSE) on the south end.
5. SCL is a municipally owned utility that is governed by the City Council and Mayor of Seattle.
6. PSE is a public utility that is governed by the Washington State Utilities and Transportation Commission (UTC).

7. In SeaTac, Seattle City Light provides electrical services to all SeaTac residents and businesses located north of S 160<sup>th</sup> Street (except for the Airport).
8. The most recent franchise agreement (attached) with SCL was entered into in August 2015. The contractual provision within the SCL franchise agreement, whereby SCL agreed to pay a percentage of revenue received from SeaTac power customers in exchange for Seatacs' promise to forbear from establishing our own municipal electric utility was found to be lawful (Supreme Court of Washington, case 78449-3). The payment for 2016 was \$298,161.00, which is received into the general fund.
9. The prior franchise agreement with SCL (1999 thru 2015) also included a contractual provision to pay the city of SeaTac a percentage of revenue received from SeaTac customers (6%).
10. SCL agreed to recover the 6% payment system-wide, rather than surcharging SeaTac utility customers. To this end, SCL treats the payments to SeaTac as an operating expense and factors the expense into the rate charged to all of its customers.
11. SCL rates for their franchise cities are provide in the table below:

SCL Residential Power Rates			
Jurisdiction	First 16 KWh per day	All additional KWh per day	Difference with City of Seattle
City of Seattle	0.0687	0.1274	-----
City of SeaTac	0.0708	0.1362	3.06%/6.91%
City of Tukwila	0.0705	0.1356	1.10%/6.44%
City of Burien	0.0694	0.1337	1.02%/4.95%
City of Shoreline	0.0708	0.1362	3.06%/6.91%

**\*What is the Rate Stabilization Account (RSA)?**

The Rate Stabilization Account (RSA) is a cash reserve of approximately \$100 million that City Light can dip into when wholesale market prices or hydroelectric production changes cause an unexpected drop in revenue. If the RSA becomes depleted, automatic rate surcharges are added to your City Light bill to replenish it.

City Light sells surplus power generated by our hydroelectric dams on the wholesale market. Surplus sales help to keep rates low by funding utility costs that customers would otherwise have to pay for through rates. Because it is dependent on hydro conditions and wholesale prices, surplus power sales revenue is very uncertain. The RSA helps to offset this uncertainty by supplementing revenues when surplus power sales revenues are below the budgeted amount. Conversely, cash deposits are made to the RSA if surplus power sales exceed expectations.

The RSA balance is checked quarterly, and if the balance falls below certain thresholds, automatic customer rate surcharges will be put into effect to provide funds to replenish the account.

#### RSA AUTOMATIC SURCHARGES

<b>RSA Surcharge Level</b>	<b>Surcharge is Triggered if RSA balance is:</b>	<b>Surcharge is Reduced/lifted if RSA balance is:</b>
1.5%	\$90 million or less	\$100 million or more
3.0%	\$80 million or less	\$90 million or more
4.5%	\$70 million or less	\$80 million or more

The RSA surcharge is capped at 4.5 percent. If the account's balance drops to \$50 million or less, the City Council is bound by ordinance to determine actions to replenish the account to \$100 million within 12 months.

The RSA has been in use since January 1, 2011. The Strategic Plan includes steps to transition to a more conservative net wholesale revenue budget, which will greatly reduce the chances of customer surcharges in future years. This reduction is being implemented gradually through 2020 to soften rate impacts for customers.