

City of SeaTac

Regular Council Meeting Minutes

November 27, 2018
6:00 PM

City Hall
Council Chambers

CALL TO ORDER: Mayor Erin Sitterley called the SeaTac City Council Regular Meeting to order at 6:02 p.m.

COUNCIL PRESENT: Mayor Erin Sitterley, Deputy Mayor (DM) Clyde Hill, Councilmembers (CMs) Rick Forschler, Joel Wachtel, Peter Kwon, Amina Ahmed, and Pam Fernald.

STAFF PRESENT: City Manager Joseph Scorcio, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Senior Assistant City Attorney Mark Johnsen, Public Works (PW) Director Will Appleton, Community & Economic Development (CED) Director Steve Pilcher, Parks, Community Programs and Services (PCPS) Director Lawrence Ellis, Police Chief Carl Cole, Captain John Madsen, Finance & Systems Director Gwen Pilo.

FLAG SALUTE: Seattle Southside Regional Tourism Authority (SSRTA) President & CEO Katherine Kertzman led the Council, audience, and staff in the Pledge of Allegiance.

PUBLIC COMMENTS: Earl Gipson commented on unethical actions taken by former Mayor Michael Siefkes against an elderly individual.

Roger Kadeg commented on the following: (1) thanked CM Fernald for a recent email regarding the Mr. Siefkes issue; (2) November 28 - Highline Forum meeting; and (3) Agenda Bill #5066 (YMCA), urging the City to request the City's money be returned in full.

Steve Pinto questioned what constitutes a single-family dwelling.

PRESENTATIONS:

Introduction of new City Employee: Public Works Engineering Manager Kamal Mahmoud
City Manager Scorcio introduced Mr. Mahmoud.

Key City Issues and Requests for Direction

City Manager Scorcio commented on the following items:

- (1) letter presented to Port Commission supporting \$10 million fund Port is creating to address noise and other environmental issues; budget amendment was unanimously supported by the Commission
- (2) still monitoring lodging tax issue with King County (KC); no action scheduled yet with KC
- (3) recent cart theft at Hertz lot – all six cars have been recovered
- (4) Saturday, January 12 - SeaTac and Port of Seattle (POS) are co-sponsoring a Noise 101 seminar for the public; need to register and get a ticket in advance due to limited space, but it is free
- (5) December 11 – last Regular Council Meeting (RCM) of the year; “Not so attractive holiday wear day”; long meeting; he will be on vacation

Committee Updates (for items not included on the agenda) and Council Requests to Refer Items to Committees

CM Forschler: Requested a discussion on the effect of crime on Economic Development (ED) be referred to the Planning & Economic Development (PED) Committee. Council concurred.

CM Wachtel: November 19 Airport Advisory Committee – crime updates, Noise 101 seminar, and StART Committee report.

CM Kwon: November 15 Transportation & Public Works (T&PW) Committee – Sound Transit Development Agreement (DA) and Transit Way Agreement, South 216th Street hairpin turn, Washington State Department of Transportation (WSDOT) land exchange agreement, next meeting December 4; National League of Cities (NLC) Federal Advocacy Committee is accepting applications until Friday.

He requested battery-operated scooters be referred to the T&PW Committee. Council concurred.

Committee Updates (continued):

He also requested a discussion on SeaTac and Tukwila combination be referred to the Administration & Finance (A&F) Committee. Council concurred.

DM Hill: Sidewalk Advisory Committee – two projects currently in design; and December 6 Parks & Recreation (P&R) next meeting scheduled.

Mayor Sitterley: next A&F Committee meeting is December 13.

CONSENT AGENDA:

Approval of claims vouchers (check no. 122803 - 122995) in the amount of \$4,321,110.57 for the period ended November 20, 2018.

Approval of payroll vouchers (check no. 54736 - 54752) in the amount of \$97,307.19 for the period ended November 15, 2018.

Approval of payroll electronic fund transfer (check no. 95982 - 96124) in the amount of \$352,122.98 for the period ended November 15, 2018.

Approval of payroll wire transfer in the amount of \$49,395.70 for the period ended November 15, 2018.

Approval of Council Meeting Minutes:

Administration & Finance Committee Meeting held October 11, 2018

Transportation & Public Works Committee Meeting held October 18, 2018

Regular Council Meeting held November 13, 2018

Special Council Meeting held November 14, 2018

Agenda Bill #5052; An Ordinance #18-1039 amending Section 15.700.310 and repealing Section 15.445.260 of the SeaTac Municipal Code related to the Zoning Code.

MOVED BY FORSCHLER, SECONDED BY HILL TO ACCEPT THE CONSENT AGENDA AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS (related to Action Items): None

ACTION ITEMS:

Agenda Bill #5061; A Motion approving the Seattle Southside Regional Tourism Authority (SSRTA) 2019 Budget.

Summary: In 2014, the SSRTA was formed. The main purpose for creating the SSRTA was to allow hotels with 90 or more rooms to impose a special self-assessment of \$2.00 per night, which would be used to expand tourism promotion services by Seattle Southside Visitor Services. When the SSRTA was formed, the SeaTac City Council was designated by the three participating cities as the Legislative Authority. One of the responsibilities of the Legislative Authority is the approval of a budget for the expenditure of the special assessments, which is a requirement of State Law and was set forth in the Interlocal Agreement (ILA) between the three cities and the SSRTA Charter.

The special assessments can be used for the following purposes: (a) general promotion of tourism within the Seattle Southside Tourism Promotion Area (TPA) as specified in the SSRTA business plan; (b) marketing of convention and trade shows that benefit local tourism and the lodging businesses within the Seattle Southside TPA; (c) marketing of the Seattle Southside TPA region to the travel industry in order to benefit local tourism and the lodging businesses; (d) marketing of the TPA region to recruit sporting events; and (e) formation and start-up costs and on-going administration and operation expenses of the TPA and its programs, including staff costs, public notices and advertising, legal costs, accounting, and auditing.

This motion approves the 2019 Budget for the SSRTA, so that funds received from the special assessments can be expended. This budget was created by the SSRTA, and the SSRTA is solely responsible for the expenditure of these revenues. Since these assessments are collected by the Department of Revenue, and disbursed directly to the SSRTA,

ACTION ITEMS (continued):

Agenda Bill #5061 (continued): the City's role is one of general oversight by approving their budget. The SSRTA Budget also includes lodging tax funds awarded by the jurisdictions which comprise the TPA.

This Budget approval does not have any financial impact on the City's overall budget or balance sheet. The SSRTA Budget is only included as a specific Component Unit of the City's Financial Statement.

The A&F Committee reviewed the SSRTA budget at its November 8, 2018 meeting and recommended approval.

SSRTA President & CEO Katherine Kertzman reviewed the SSRTA vision, mission, promise and advertising. She also reviewed the budget.

CM Forschler, member of the Hotel/Motel (H/M) Tax Advisory Committee, stated the City is fortunate to be working with Ms. Kertzman and the SSRTA.

Council discussion ensued regarding the advertising options and programs through the SSRTA.

MOVED BY FORSCHLER, SECONDED BY KWON TO PASS AGENDA BILL #5061.

MOTION CARRIED UNANIMOUSLY.

Agenda Bill #5081; A Motion authorizing the City Manager to execute a Second Amendment to the Parking Lease with Sound Transit for 63 parking stalls at the SeaTac Center.

Summary: In October 2013, the City entered into a lease agreement with Sound Transit for use of the top floor of the parking garage located on the SeaTac Center property. These 63 stalls provide much needed extra parking for light rail riders that use the Tukwila International Boulevard (T.I.B.) Station. Sound Transit's 600 stalls at the T.I.B. Station are typically full by 6:30 a.m. and have a utilization rate of 99%. The top floor of parking is not needed to meet the minimum parking requirements of SeaTac Center and its tenants.

Sound Transit is responsible for all costs associated with maintenance, security, and any needed improvements. This arrangement has worked well for both parties, with the lease being extended and/or amended as necessary since October 2013.

Sound Transit contacted the City earlier this year and requested a three year lease extension. Staff advised them that since the City was selling the SeaTac Center property, a month-to-month tenancy would be feasible. Sound Transit staff has verbally indicated it can accept this arrangement. Sound Transit is also aware of the possibility that the property transfer could occur before the end of 2019 and they would need to negotiate with a future property owner to continue the parking arrangement.

Until the City no longer owns the SeaTac Center property, the City will receive \$4,916.73 per month under the terms of the proposed lease extension (\$59,000.76) in 2019. In 2020, the rent increases 3% to \$5,064.23 per month.

The A&F Committee reviewed this matter at its October 8, 2018 meeting and recommended approval.

CED Director Pilcher reviewed the agenda bill summary.

Council consensus: Refer it to the December 11, 2018 RCM Consent Agenda.

Agenda Bill #5089; A Resolution #18-018 authorizing signature authority for identified City officials on Federal funding reimbursement requests.

Summary: Passage of this Resolution is required to support the submission of reimbursement requests related to approved Federal grants. The Resolution certifies that the City Manager, PW Director, PCPS Director, CED Director and the Police Chief have signature authority on federal reimbursement requests. This is an action that will facilitate the City's processing of grant reimbursement requests, and reduce the need for individual Council actions on reimbursement requests. Receipt of grants will still require Council notice and/or action (depending on size).

ACTION ITEMS:

Agenda Bill #5089; Resolution #18-018 (continued):

No committee review was conducted. Staff has proposed passage of the Resolution so reimbursements may be requested more promptly on federal grants awarded to SeaTac, such as the Safe Routes to School grant.

PW Director Appleton reviewed the agenda bill summary.

Council discussion ensued regarding who is authorized.

MOVED BY HILL, SECONDED BY FORSCHLER TO PASS AGENDA BILL #5089 (RESOLUTION #18-018).

MOTION CARRIED UNANIMOUSLY.

Agenda Bill #5066; A Motion authorizing the City Manager to execute a First Amended and Restated Master List of Services Agreement between the City and the YMCA.

Summary: In 2006, the City and the YMCA entered into an agreement where the City pre-purchased services and low-income memberships from the YMCA that would be provided for 20 years upon the opening of the new YMCA building located on South 188th Street. The City paid \$1,031,105 for \$1,146,280 worth of pre-paid services, which was a 10% percent discount. This agreement also provided that all services would be valued in 2009 dollars throughout the life of the agreement.

In 2009, the YMCA and the City entered into a Master List of Services Agreement that provided details of how these pre-paid services would be provided, including a list of services and their value. The YMCA has not provided the value of services agreed upon during the first nine years of the Agreement. To date, the YMCA was obligated to provide \$515,826 worth of services, but has only provided services valued at \$219,840, leaving an unmet balance of \$295,986. The proposed Amended and Restated Agreement establishes: (1) a payment plan for the YMCA to compensate the City for the unmet balance; (2) a plan for the YMCA to provide the remaining services for the next eleven years; and (3) an updated Master List of Recreational Services that the YMCA will provide City of SeaTac residents effective January, 2019.

First, the YMCA agrees to pay three installments of \$98,662 in 2019, 2020, and 2021 to compensate for the value of services the YMCA did not provide to the City over the preceding nine years. If the YMCA fails to remit an installment payment by the due date, then the remaining installment payments and any remaining balance of services not provided to date will be immediately due and payable in full.

Second, the YMCA is obligated to provide a minimum of \$57,314 per year of services and programs for the next eleven years (through 2029), or until the remaining balance of services has been provided. It is estimated the YMCA will provide recreation services valued at approximately \$57,600 on an annual basis commencing January 1, 2019. Each year, the City and YMCA will conduct a review to determine the value of services actually provided to the City. If the YMCA provides more than \$57,314 worth of services in a given year, the overage will be credited to the following calendar year. However, should the YMCA provide less services that required, it will be required to monetarily compensate the City for the difference by January 31 of the following year.

Third, the amended agreement creates an updated Master List of Services. City staff and the YMCA worked together to establish this list, which remains valued in 2009 dollars. The City Council will be required to approve any amendments to this list.

If approved, this Motion authorizes the City Manager to execute an amended and restated agreement with the YMCA, as described above. The YMCA Board has not taken final action on this proposed agreement, and some final adjustments may be necessary before signature.

This amended agreement will result in revenue of \$98,662 in 2019, 2020, and 2021. Additional revenue may result if the YMCA does not meet its performance obligations under the agreement.

ACTION ITEMS:

Agenda Bill #5066 (continued): The amendment was reviewed by the P&R Committee meeting on November 1, 2018 and the Committee recommended forwarding the Amended Agreement to the full Council for approval, subject to clarification of the updated Master List of Services.

The amendment was also reviewed by the A&F Committee on November 8, 2018, and the Committee recommended forwarding the Amended Agreement to the full Council for their approval subject to clarification of the updated Master List of Services and subject to adding language protecting the City in the event the YMCA does not make one of its annual installments for the unmet balance.

City Manager Scorcio and PCPS Director Ellis reviewed the agenda bill summary.

Council discussion ensued regarding the agreement: finances, services, and timeline. If an agreement is not reached by January 8, an Executive Session may be required at the January 8, 2019 meeting.

Council requested a Contracts 101 presentation be referred to the A&F Committee.

MOVED BY KWON, SECONDED BY WACHTEL TO PASS AGENDA BILL #5066.

MOTION CARRIED UNANIMOUSLY.

Agenda Bill #5098; A Motion authorizing the Mayor to execute a City Manager Employment Agreement between the City and Carl Cole.

Summary: The City Council went through a very extensive City Manager recruitment process several months ago. As a result, the position was offered to one candidate who withdrew during negotiations of his Employment Agreement. Shortly after this candidate withdrew, Police Chief Carl Cole submitted his letter of interest and resume to the Council.

On November 14, 2018, the City Council interviewed Chief Cole during a Special Council Meeting (SCM). After the interview, a public open house was held so members of the public could also ask questions of him. After deliberation, the Council appointed Chief Cole as the City's next City Manager. Additionally, it was also decided that the Mayor and another Councilmember, with the assistance of the City Attorney, would negotiate the terms of an Employment Agreement between the City and Chief Cole, to be later considered by Council for approval. The following are some of the terms of the proposed Employment Agreement:

1. The Commencement date will be January 7, 2019.
2. Compensation will be \$180,000 per year, to be adjusted annually by the amount of any Cost of Living Adjustment (COLA) granted to Department Directors in the City.
3. Participation in the ICMA 401(a) Money Purchase Plan as a replacement for Social Security. Contributions to this plan will be on the same basis applicable to other Department Directors.
4. Participation in the ICMA 457 Deferred Compensation Plan. Contributions to this plan will be on the same basis applicable to other Department Directors.
5. Term life insurance, accidental death and dismemberment, and short and long term disability policies, as would be applicable to all full time City employees.
6. In lieu of participation in the Washington Public Employees' Retirement System (PERS), the City shall provide a contribution to the ICMA Executive Plan 401(a), in an amount equal to the City's share of which would otherwise be made to PERS.
7. In lieu of participation in the City's health care, vision, and dental plans, the City Manager will access these benefits through King County Subsidized Retiree Medical. The City will pay the premium for these benefits, up to the amount that the City would otherwise pay for these benefits.
8. Management Leave of 12 days per calendar year.
9. Paid Leave lump sum amount of 200 hours. Paid Leave will accrue at a rate of 16 hours per month. The maximum accrual that may be carried over from year to year shall not exceed what would be accrued over three years (576 hours). The excess of this amount shall expire at the end of year in which the maximum amount has been reached.
10. The residency requirement shall be waived.
11. Severance will be equal to six months of salary. It will be increased by one month every year in which the City Manager receives a satisfactory or higher performance rating from the Council, up to a maximum of 12 months.

ACTION ITEMS:

Agenda Bill #5098 (continued):

The 2019-2020 adopted Biennial Budget contains \$561,004 for City Manager compensation. The total cost of the contract for the biennium is estimated at \$484,114.

There was no Committee review. However, this item is to be considered for Council consideration pursuant to Council action taken on November 14, 2018.

Mayor Sitterley reviewed the agenda bill summary.

MOVED BY WACHTEL, SECONDED BY FERNALD TO PASS AGENDA BILL #5098.

MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS (related to Unfinished Business): None

UNFINISHED BUSINESS: None

NEW BUSINESS: None.

CITY MANAGER'S COMMENTS: City Manager Scorcio commented on the following calendar items: November 28 – open house regarding Military Road improvements; December 3 – Special PED Committee meeting, LIHI purchase of Fire Station 47 and Inland Group purchase of SeaTac Center; December 4 – Special T&PW Committee meeting, uses in the public right-of-way (ROW); and December 6 – Special P&R Committee meeting at the Community Center, discussing North SeaTac Park; and Tree Lighting to follow. Mr. Scorcio also provided Council with a letter giving his retirement date of Friday, March 15, 2019.

COUNCIL COMMENTS: Council thanked Mr. Scorcio for his service and welcomed Carl Cole.

CM Kwon commented on the following items: (1) November 16 – Senior Thanksgiving Lunch; (2) November 28 – Open House on Military Road South and South 152nd Street project; (3) December 6 – Tree Lighting; and (4) Locking Mailbox Program – the City has sold and installed 100 locking mailboxes so far.

CM Fernald stated she attended a women's self-defense class. She also commented on the reasons for Mr. Siefkes disbarment.

DM Hill stated both the Tyee High School and the Seattle Christian School have scheduled Christmas Holiday Bazaars on December 1.

RECESSD: Mayor Sitterley recessed the meeting to an Executive Session to consider the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price at 8:37 p.m. p.m. for 15 minutes.

EXECUTIVE SESSION: To consider the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price RCW 42.30.110(1)(b)
Senior Assistant City Attorney Johnsen announced Council requested an additional 20 minutes at 8:52 p.m.

RECONVENED: Mayor Sitterley reconvened the meeting at 9:12 p.m.

ADJOURNED:

MAYOR SITTERLEY ADJOURNED THE REGULAR MEETING OF THE SEATAC CITY COUNCIL AT 9:12 P.M.


Erin Sitterley, Mayor


Kristina Gregg, City Clerk