



Transportation & Public Works Meeting Agenda

July 2, 2020; 5:30 PM
"Virtual Meeting"

Due to the current COVID-19 public health emergency, and social distancing protocols, pursuant to the Governor's and public health officials' orders, this meeting will be conducted virtually. The meeting will be live streamed on SeaTV and the City's website. The public may also call in to the conference line to listen to the meeting. The number is 206-973-4555. While you will be able to hear the meeting, you will not be able to participate in the meeting. Please note that if you are unable to mute your phone, everyone else on the call-in line will be able to hear you, so please refrain from speaking. City Hall is closed so no one will be able to physically attend this meeting.

Councilmembers:

Peter Kwon, Chair

Pam Fernald

Takele Gobena

Note: A quorum of the Council may be present

Staff Coordinators: Will Appleton, Public Works Director; Florendo Cabudol, City Engineer;

Other Staff participating: Mason Giem, PW Projects Coordinator

TIME	TOPIC	PROCESS	WHO	TIME
1	Call to order		Chair	
2	Public Comment Process: In an effort to adhere to the social distancing protocols, pursuant to the Governor's and public health officials' orders, and in order to keep our residents, Council and staff healthy, the Committee will not hear any in-person public comments during this COVID-19 public health emergency. If you wish to submit a public comment, please email any comments by 2:30 PM the day of the meeting to tpwpubliccomment@seatacwa.gov . The public comment will be mentioned by name and subject, and then placed in the T&PW handout packet posted to the website.		Chair	5

3	Prior Minutes Approval	June 18 minutes to approve	Chair	5
4	King County proposed Solid Waste Rate Increase	Presentation	Mason Giem	30
5	<u>Future Meeting Topics:</u> Sound Transit Parking Tax; Tukwila International Blvd. Reconfiguration; 1% for the Arts on PW Projects;			5
6	Adjourn	Adjourn Meeting	Chair	



Transportation & Public Works Committee Meeting Minutes

Approve Prior
Meeting Minutes

Thursday, June 18, 2020
4:30 PM – 6:00 PM
** Virtual Meeting **

Members:	Present:	Absent:	Commence: 4:30 PM Adjourn: 6:05 PM
Peter Kwon, Chair Pam Fernald Takele Gobena			

Other Councilmembers participating:

Staff Coordinators: Will Appleton, Public Works Director; Florendo Cabudol, City Engineer

Other Staff Participating: Justin Alipio, Asset Management Coordinator; Gwen Voelpel, Deputy City Manager; Mark Johnsen, Senior Assistant City Attorney;

Public Comment.	None
1. Approve Prior Meetings' Minutes	May 21 Minutes were approved
2. Cityworks Software Upgrade	<p>Presentation/Recommendation</p> <p>Staff (Justin Alipio) presented the purpose for the Cityworks software upgrade and how it applies to the overall success of the Asset Management program. Staff explained the current deployment of Cityworks and its integration with GIS and other software that the City is using. With ramping up of GIS centric workflow, an upgrade was identified as a strategic investment for City operations. Costs for the upgrade are an annual subscription.</p> <p>Staff explained the Asset Management Program and its connection to the Cityworks software and explained the components of the program [see slide for components]. Staff committed to submitting a road map to be shared with Council prior to 7/14/20 RCM. The goal is to better serve the community as efficiently and effectively as possible.</p> <p>Staff requested recommendation from Committee for approval to execute agreement for the software upgrade.</p> <p>Questions raised were:</p>

	<ul style="list-style-type: none"> ○ How many other cities use Cityworks? <ul style="list-style-type: none"> ▪ City of Kent, Burien, Mercer Island and King County have been shadowed to understand what their usage is. ○ Does Level of Service have anything to do with City's insurance rating? ○ Will chart shared from ASCE be used to assess SeaTac's assets (baseline)? <ul style="list-style-type: none"> ▪ No, our assessment will be catered for SeaTac and more aligned with the Risk Matrix ○ Was there any software considered besides Cityworks? <ul style="list-style-type: none"> ▪ Decision was made to continue with Cityworks. ○ Committee mentioned receiving information from competing software companies ○ With the pandemic, online permitting was not available. Will Cityworks address this? <ul style="list-style-type: none"> ▪ No, currently permitting is done through TRAKIT. ▪ Committee is interested in exploring if Cityworks can provide an integration between permitting and asset management program. ▪ Cost related to subscription cost <ul style="list-style-type: none"> • What happens if City steers away from Cityworks? ▪ Where is the funding coming from? ▪ Discussed that Finance and Public Works currently share costs. ▪ Staff explained that executing the agreement for the upgrade will be as a decision card in 2021-2022 budget <p>Recommendation to move to council for action</p>
<p>3. 6-Year Transportation Improvement Program (TIP) 2021-2026</p>	<p>Discussion/Recommendation</p> <p>After several other presentations this spring of the draft 6-Year Transportation Improvement Program (TIP) 2021-2026, the decision was unanimous to move forward to Council Meeting and Public Hearing on June 23, 2020.</p>
<p>4. Franchise Agreements 101</p>	<p>Discussion</p> <p>Staff presented an overview of Franchise Agreements; what they are, and how we are moving forward. There are many different elements to a franchise agreement and is dependent on the utility. There are primary elements to each agreement:</p> <ul style="list-style-type: none"> • Relocation of Utility Facilities • Abandonment of Utility Facilities • Franchise Fee <ul style="list-style-type: none"> ○ Power, gas, communications are exempt by law • Utility Tax <ul style="list-style-type: none"> ○ Staff referenced recent ruling upholding municipalities ability to levy a utility tax ○ Used to cover costs of having utilities in ROW. • Hydrant Costs

	<ul style="list-style-type: none"> ○ General government is responsible for fire flow/hydrant costs [as ruled by state supreme court] <p>Schedule for renewing franchise agreements</p> <ul style="list-style-type: none"> • June 2020 – Present topic to TPW • July 2020- Sept 2020 Develop draft water and sewer franchise agreements • Fall of 2020 – Begin negotiations with water and sewer districts • Winter 2021 – Present agreements to Committee and Council for action <p>Questions raised by the Committee:</p> <ul style="list-style-type: none"> ○ How would you describe difference between franchise fees and utility tax? <ul style="list-style-type: none"> ▪ Fee paid on annual basis – Cost to administer agreement and right to use ROW ▪ Tax – based on rates to consumers ○ Are these pass through costs? <ul style="list-style-type: none"> ▪ Typically, yes they are pass through. ▪ Consideration is the public has responsibility to maintain ROW which the utility uses. ○ Confirm what utilities are eligible for utility tax. ○ Referenced small site wireless and requirement to adopt regulation. <ul style="list-style-type: none"> ▪ Staff responded that temporary land use regulations are in place until final regulations are developed. ○ Who is responsible for abandoned utilities that causes negative impact to future projects. <ul style="list-style-type: none"> ▪ That will need to be addressed in the franchise agreement. ○ Referenced some agencies passing a utility tax to make up for budget shortfall. ○ Expressed displeasure in pass through fees/tax to rate payers. <ul style="list-style-type: none"> ▪ Is there any leverage the City has to agree to a lower fee/tax so it does not pass through to rate payers? ▪ Could be part of negotiations.
5. Adjourn	<p>Adjourn Meeting</p> <ul style="list-style-type: none"> • <i>Status of CIR</i> <ul style="list-style-type: none"> ○ <i>Parking Tax</i> ○ <i>Utility Box wraps</i> <p><i>Scheduled for intersection at S 188th St/IB and S 200th St/DMMDS</i></p>

Approve Prior Meeting Minutes



MEMORANDUM

To: Transportation and Public Works Committee
Through: William Appleton, Public Works Director
From: Mason Giem, Public Works Programs Coordinator
Date: 7/2/2020
Subject: King County Proposed Solid Waste Rate Increases

Purpose:

To provide information on potential changes to the King County Solid Waste rates and alternatives that were not selected, primarily due to their impacts beyond rate relief.

Background:

Fluctuations in waste tonnage sent to the landfill has resulted in the need for a rate increase. In recent years, the successful diversion of Construction and Demolition debris for our landfill has reduced waste tonnage by 7%. The COVID-19 pandemic is expected to further reduce tonnage. The resulting loss in revenue has created a financial challenge for King County Solid Waste and is the primary driver of the proposed rate increase.

King County Solid Waste has proposed a 6% rate increase in 2021 followed by 8% in 2022. This will result in a rate increase for the average SeaTac residential (32-gallon) garbage customer of \$0.37/month in 2021 and a \$0.92/month in 2022, as compared to 2020 rates. This will result in a rate increase for the average commercial (4-yard dumpster) customer of \$8.05/ month in 2021 and a \$19.44/month in 2022, as compared to 2020 rates.

King County is proposing several actions that will keep spending level with 2019-2020 for 2021 and 2022 however, further savings will need to be found. These actions include \$37 million of expenditure saving to offset inflationary cost increases and allow for targeted strategic investments critical to achieving important environmental goals and maintaining essential services for customers. The proposal also includes \$26 million in non-tipping fee revenues, \$8 million of which would be paid for by the direct users of the transfer stations for cost recovery of services. This new revenue stream

reduces the need for a tipping fee increase, but does not completely solve the shortfall.

Given the current climate of uncertainty around the economy due to COVID-19, some cities expressed a desire to see a proposal that included no rate increase for both 2021 and 2022. King County presented alternatives that included:

- Eliminate recycling at Transfer Stations.
- Eliminate City Recycling Grants.
- Layoff Non-Operations Staff.
- Reduce to 4 day operations at transfer stations.
- Reduce to 5 day operations at Cedar Hills.

City Staff consulted our waste hauler, Recology Cleanscapes, on the proposed changes. Recology responded, "Should King County fail to approve the tip fee increase, the solid waste division would likely implement program cuts, including reduced transfer station hours of operation. This would be very problematic for Recology and could inhibit our ability to meet contract requirements. In this scenario, the airport would be disproportionately impacted due to their need for 24-hour collection service."

This content is provided for informational purposes only and no action is required on the part of the City Council. The rate increase proposal will most likely be heard by King County Council within a couple of weeks.



Problem Statement:	SWD has proposed a 6% rate increase in 2021 followed by 8% in 2022. On average, the change would add \$0.46 cents to the single-family monthly curbside bill in 2021 and \$0.65 cents in 2022. Some city partners have expressed a preference for zero rate increase during these periods. SWD is concerned that additional expenditure reductions needed to support a no rate increase scenario, would result in untenable impacts to customers.
Targeted Outcome:	To inform stakeholders on the basis for SWD’s rate proposal and the alternatives that were not selected, primarily due to their impacts beyond rate relief.

Background:

Fluctuations in tonnage determine the magnitude of rate increases. In recent years, the successful diversion of the Construction and Demolition debris in 2018 has reduced tonnage by 7%. The COVID-19 pandemic is expected to further reduce tonnage. The resulting loss in revenue has created a financial challenge for the division and is the primary driver of the proposed rate increase.

SWD proposed a rate to continue progress on commitments made to member cities in the *2019 Comprehensive Solid Waste Management Plan* all while keeping expenditures level with the 2019-2020 budget. SWD identified \$37 million of expenditure savings to offset inflationary cost increases and allow for targeted strategic investments critical to achieving important environmental goals and maintaining essential services for customers. The proposal also includes \$26 million in non-tipping fee revenue, \$8 million of which would be paid for by the direct users of the transfer stations for cost recovery of services. This new revenue stream reduces the need for a tipping fee increase.

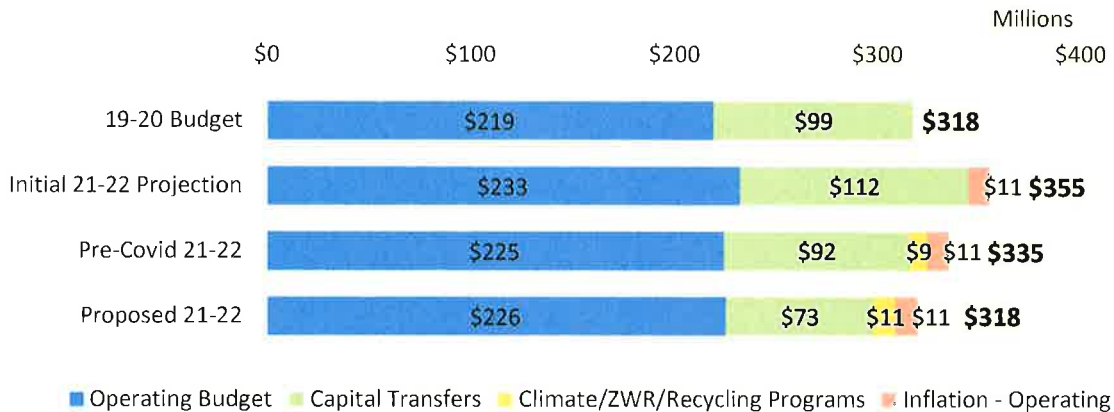
In preparation of the current rate proposal, SWD analyzed a variety of options for cost savings including operational efficiencies, reduction of services, and delayed capital spending. Choices were made based on their impact on the rate, feasibility of implementation, and likely cascading impacts. If an alternative could not reasonably be implemented in time or if its cost savings would likely be offset by a consequential increase, such ideas were not selected for the rate proposal.

Given the current climate of uncertainty around the economy due to COVID-19, some cities expressed a strong desire to see a proposal that included no rate increase for both 2021 and 2022. In addition to committee feedback, SWD held individual briefings on this topic with many member cities and received direct input in the form of letters to the Division’s Director and King County Executive. Though not all cities requested this, the Division felt it was important to respond to this request as many cities, customers and residents are feeling financial stress at this time.

Rate Proposal Alternatives Analysis

The Division has identified reductions to keep expenditures for 2021-2022 flat with the 2019-2020 Budget. The Initial 2021-22 Projection row below shows that given normal increases for inflation and historical budget adds, expenditures would have increased to \$355M for the 2021-2022 biennium. Instead, SWD identified a net \$37M in reductions to keep forecasted expenditures at the same levels as 2019-2020, \$318M.

2021-2022 Expenditures the same level as 2019-2020 Budget



Notable reductions to keep expenditures flat include:

- **Operational Efficiencies (\$3M):** A Rates Task Force made up of nearly 200 employees proposed almost 200 ideas for mitigating a rate increase. Many of these ideas are included in the rate proposal. Most saving measures identified were from reducing supplies and services accounts. Other ideas include eliminating unneeded portable toilets from several facilities, and purchasing a shredder so dirty wood can be used as road base and tipping pads at the landfill and eliminate the need to purchase virgin shredded wood.
- **Closure of Cedar Hills on Sunday (\$180k):** Sunday is the lowest tonnage day of the week so there is potential to not operate the landfill on this day. Negotiations with labor are pending and could impact projected savings.
- **Effects from COVID-19 (\$12M):** Spending projections for some accounts, most notably for labor cost increases next biennium, have been revised down given the potential impacts from COVID-19. These are set centrally in the County and used in the Division's projections.
- **Capital Financing (\$28M):** Despite plans to implement major capital projects identified in the Comp Plan over the next six years, major savings have come from how the division finances capital programs. Specifically, moving from using debt financing to pay for landfill projects versus traditional cash financing have smoothed out cash flows and lowered this burden on expenditures and the rate.



Actions Included in the Rate Proposal (TABLE 1)

This table highlights actions included in the current rate proposal because they meet goals laid out in County Code (e.g. achieving carbon neutrality by 2025), commitments made to partner cities through the comprehensive plan (e.g. investments in Zero Waste planning and improving the property buffer around the Cedar Falls landfill), and much needed safety and asset management improvements. Failure to fund these actions as proposed risks operations safety and effectiveness and seriously jeopardizes the division’s ability to meet required goals and commitments. The primary consequences of each action on this list are listed in the table below.

TABLE 1			
Action	Est Reduction	Curbside Impact	Consequences of Eliminating this Action
Invest in Zero Waste of Resources	\$7,000,000	\$0.21	<ul style="list-style-type: none"> • Jeopardizes reaching regional environmental goals • Increases greenhouse gas impacts
Invest in Climate Change Mitigation	\$2,000,000	\$0.06	<ul style="list-style-type: none"> • Jeopardizes reaching regional environmental goals • Requires purchase of climate offsets • Increases greenhouse gas impacts
Improved Asset Management	\$2,400,000	\$0.07	<ul style="list-style-type: none"> • Increases risk of asset failure
Expand Safety and Emergency Response Capability	\$700,000	\$0.02	<ul style="list-style-type: none"> • Extends risk of inadequate safety and emergency response capability
Acquisition of Cedar Hills Buffer Properties	\$600,000	\$0.02	<ul style="list-style-type: none"> • May not be able to fulfill action in Comp Plan to purchase these buffer properties
Invest in Training for Operations Staff	\$300,000	\$0.01	<ul style="list-style-type: none"> • Reduces career advancement opportunities for staff in the lowest paid positions in the division

Actions Considered but Not Included in the Rate Proposal (TABLE 2)

This table highlights actions that were investigated for potential savings, but which were not included in full or in part for a number of reasons. Many of the actions included on this list would disproportionately effect one group of residents, further exacerbate local economic distress by reducing employment during an economic crisis, and provide little in the way of rate relief. It is important to note that the closures and service level changes listed below do not include bargaining effects with the appropriate labor unions, which would likely reduce the amount of savings. The primary consequences of each action on this list are listed in the table below.

TABLE 2			
Action	Est Reduction	Curbside Impact	Consequences of Pursuing this Action
Close Cedar Hills and eliminate hauling from Transfer Stations on Saturday and Sunday.	< \$2,100,000 ¹	\$0.12	<ul style="list-style-type: none"> • Layoff 30+ staff. Bargaining for effects would reduce likely impact. The division is currently pursuing labor changes that should allow for partial implementation of this option. Because the impact of the change will be greater from both an operational and bargaining standpoint, we have not included any savings for the biennium in the current rate proposal.
Permanently Close Renton Transfer Station	< \$1,600,000 ¹	\$0.05	<ul style="list-style-type: none"> • Layoff 6 staff. Bargaining for effects would reduce likely impact. • Disproportionate impact on Renton customers
Permanently Close Cedar Falls Drop Box	< \$1,200,000 ¹	\$0.04	<ul style="list-style-type: none"> • Layoff 2 staff. Bargaining for effects would reduce likely impact. • Disproportionate impact on Cedar Falls customers.
Eliminate Overnight Shift at Bow Lake	< \$600,000 ¹	\$0.02	<ul style="list-style-type: none"> • Layoff 3 staff. Bargaining for effects would reduce likely impact. • Disproportionate impact on late night customers that use the station.
Delay South County Recycling and Transfer Station Project	\$2,100,000	\$0.06	<ul style="list-style-type: none"> • Delays additional services to South County area. • Does not create jobs during recovery.
Delay Northeast County Recycling and Transfer Station Project	\$500,000	\$0.01	<ul style="list-style-type: none"> • Delays additional services to Northeast County area.

¹ Savings shown in these actions represent the upper limit of savings possible in these scenarios. The cost of concessions from the bargaining process with labor unions is not included. So, actual savings from these actions would be limited.



New Actions Investigated but Not Recommended by SWD (TABLE 3)

In response to some cities seeking a no rate increase approach, TABLE 3 highlights actions that were investigated as part of an effort to see what would need to be cut in order to reach \$20 million in cuts over 2021-22 to avoid any rate increase for the biennium. SWD is not proposing these cuts in service levels because they would create a significant strain on the system, disproportionately impact some communities more than others, force rate increases or contract and/or service changes for private haulers, dramatically increase traffic around certain transfer stations, increase the risk of illegal dumping, and further exacerbate the revenue problem by reducing the tonnage received from self-haulers. Furthermore, it would involve laying off a large number of employees and would require very unpopular changes in service levels at King County transfer stations. The primary consequences of each action on this list are listed in the table below.

TABLE 3			
Action	Est Reduction	Curbside Impact	Consequences of Pursuing this Action
Eliminate Recycling at Transfer Stations	\$8,000,000	\$0.24	<ul style="list-style-type: none"> Increases greenhouse gas impacts. Lessens life of the Landfill. Unpopular with residents.
Eliminate City Recycling Grants	\$2,000,000	\$0.06	<ul style="list-style-type: none"> Fewer recycling events.
Layoff Non-Operations Staff	< \$2,000,000 ¹	\$0.06	<ul style="list-style-type: none"> Layoff 10 staff. Bargaining for effects would reduce likely impact. Some programs may be cut or services delayed.
<i>Station Closure Package - all of these actions must occur together and cannot be broken up</i>			
4 Day Operations at Transfer Stations	< \$11,000,000 ¹	\$0.32	<ul style="list-style-type: none"> Layoff 60+ staff. Bargaining for effects would reduce likely impact. Increases traffic on city streets. Increases wait times. Increases hauler rates, which get passed on to customers. Reduces curbside service.
5 Day Operations at Cedar Hills ²	< \$7,000,000 ¹	\$0.21	
Traffic Management	\$(2,000,000)	\$(0.06)	
Revenue Loss	\$(3,500,000)	\$(0.10)	
<i>Net Total - Station Closure Package</i>	<i>\$12,500,000</i>	<i>\$ 0.37</i>	

² The savings shown from "5 Day Operations at Cedar Hills" here is higher (\$7M) than shown in the previous table for "Close Cedar Hills on Sat" (\$2M) because closing the transfer stations Friday through Sunday is part of this newer analysis and does not require additional trailers to store waste in for two days.



Recommendation

The Solid Waste Division recognizes the financial and emotional stress cities and residents are experiencing at this time. The Division continues to look for the most effective ways to manage the crisis in a way that will benefit everyone without unnecessarily adding to the challenge of these times.

In order to continue providing services that support healthy, safe communities, provide stimulus to the economy, maintain commitments to our partner cities, and meets vital climate and diversion goals, the Division recommends a 6% rate increase in 2021, then an additional 8% in 2022. On average, the change would add \$0.46 cents to the single-family monthly curbside bill in 2021 and \$0.65 cents in 2022.

SWD has determined that drastically reducing service levels and/or cutting programs would do more harm than good to all the Division's stakeholders both in the short term and in the next biennium when many of the cost cutting measures shown above would require much steeper rate increases.