

CITY OF SHORELINE

**SHORELINE CITY COUNCIL
SUMMARY MINUTES OF DINNER MEETING**

Monday, April 24, 2006
6:00 p.m.

Shoreline Conference Center
Highlander Room

PRESENT: Mayor Ransom, Deputy Mayor Fimia, and Councilmembers Gustafson, Hansen, McGlashan, Ryu, and Way

STAFF: Robert Olander, City Manager; Julie Modrzejewski, Assistant City Manager; and Joyce Nichols, Communications and Intergovernmental Relations Director

ABSENT: none

GUEST: none

Deputy Mayor Fimia called the meeting to order at 6:20 p.m.

Bob Olander, City Manager, introduced tonight's topic, a summary report on the 2006 Session of the State legislature by Joyce Nichols, Communications and Intergovernmental Relations Director.

Ms. Nichols provided a written summary of the 2006 Session and made the following observations:

- The session was a 60-day, "short session" and ended one day early – on March 8.
- For a short session it was very hectic and ended with several successes and few negative implications for cities.

Ms. Nichols reviewed several key bills, including:

- Streamlined Sales Tax: Failure of this bill was a large disappointment for cities. The bill passed the Senate with no opposition, but was not brought to the House floor for a vote. It is anticipated the bill will be acted on early in the 2007 session.
- Supplemental Budget: Legislators were able to save \$935 million from the \$1.4 billion budget surplus for use in 2007, when the budget outlook is not so positive.
- The Legislators also addressed the unfunded liability in the Plan I pension system by directing \$350 million into a new Pension Funding Stabilization Account which allows the employer's rate increases to be phased-in beginning in January 2007, with a 1.77% increase. Rates will rise from the current rate of 2.44% to

7.5% on July 1, 2008. The phased-in system will allow the public agencies (one of which is Shoreline) to budget for the increases instead of having to face a mid-year increase.

- Solar Hot Water Equipment Tax Exemption Bill: Passed the legislature. Shoreline supported this bill which passed on the last day of session when it was thought to be dead. It provides a tax exemption for solar hot water equipment.
- Gambling Bills: Senate Bill 6615 did not pass. It would have “frozen” the number and location of social card rooms at the current number as a way of dealing with the issue of clarifying local land use authority regarding location of card rooms. Many legislators opposed the bill because they oppose gambling, and efforts to reach a compromise were unsuccessful.
- Housing Trust Fund: The Legislature added \$25 million to the fund for affordable housing. The money will come from the Real Estate Excise Tax (REET). Shoreline supported this bill.
- Sex Offender Bills: Dozens of bills on this subject were introduced this session, and 18 were approved by the Legislature. One of these bills, SB 6325, prohibits cities from enacting local ordinances without residency restrictions for sex offenders. The bill provides an exemption for Issaquah and Monroe, which already have enacted ordinances restricting where sex offenders may reside. The Legislature directed Association of Washington Cities (AWC) to work with stakeholders to develop “consensus statewide standards” by December 31, 2007, for cities to use if the Legislature lifts the pre-emption.
- Regional Transportation and Transportation Governance Bill: HB 2871 was approved near the end of the session. Key parts of the bill include:
 - a) A nine-member commission is created to evaluate transportation governance in central Puget Sound. The commission is to develop a comprehensive financing strategy and recommend revenue options for improving transportation system performance within the region by January 1, 2007.
 - b) The regional roads package and Sound Transit are required to be on the same ballot at the 2007 general election. Both are required to pass together. If one passes and the other does not, they both fail.
 - c) Revenue authority is granted to include up to 1/10% sales tax and 8/10% MVET based on a newer, substantially reduced rate schedule.
 - d) The local match requirement is reduced from 33% to 15%.
 - e) Subarea equity requirements are included in the bill.
 - f) Operations, preservation and maintenance are generally prohibited. However, operational expenses for traffic mitigation relative to construction mitigation directly related to specific projects is allowed. The commission has the authority to continue transit investments after construction if performance measures are met.
 - g) If no Regional Transportation Improvement District (RTID) materializes by December 1, 2007, King, Pierce and Snohomish Counties receive this authority on an individual basis.

- h) After December 1, 2007, King, Pierce and Snohomish Counties are eligible to use transportation benefit districts. This includes voter-approved revenue sources – up to a \$100 motor vehicle fee and up to 2/10% sales tax – used for transportation purposes.
- i) Jurisdictions within the other 36 counties will now have transportation benefit district authority without the previous requirement that funds generated are to be proportionately used for Highways of Statewide Significance (60% minimum) and local purposes (40% minimum).

Ms. Nichols said Sound Transit, RTIS and WSDOT are working on implementing this legislation. It does not especially bode well for Shoreline if the bulk of the potential funding for RTIS is to go toward the five mega-projects (Alaskan Way Viaduct, 520 bridge, I 405, I-90 and Highway 167) leaving little money for other major transportation corridors like Aurora. Shoreline will need to continue working with RTIS and Sound Transit to ensure that out bus rapid transit project on Aurora receives funding from one of the two agencies.

Ms. Nichols also mentioned several bills on key issues that did not pass during the legislative session but will likely be the subject of legislation in the 2007 session, including:

- SB 6138 – limiting local business license authority
- Eminent Domain bills
- HB 2815 – Best available science clarification bill
- SB 6562 – Critical areas ordinance clarification bill
- SB 6612 – Municipal court contracting authority clarification
- SB 6342 – Requiring election of municipal court judges

ADJOURNMENT

At 7:20 p.m., the meeting was adjourned.

Joyce Nichols, Communications and Intergovernmental Relations Director

This page intentionally left blank.