

CITY OF SHORELINE

SHORELINE TRANSPORTATION BENEFIT DISTRICT SUMMARY MINUTES OF REGULAR MEETING

Monday, July 13, 2009 - 6:30 p.m.
Shoreline Conference Center
Mt. Rainier Room

1. CALL TO ORDER

At 6:35 p.m., the meeting was called to order by Chairperson Ryu, who presided.

2. ROLL CALL

Upon roll call by the Secretary, all Boardmembers were present.

PRESENT: Chairperson Ryu, Vice Chairperson Scott, Boardmember Eggen, Boardmember Hansen, Boardmember McConnell, Boardmember McGlashan, and Boardmember Way.

ABSENT: None.

3. APPROVAL OF THE AGENDA

Boardmember Hansen moved approval of the agenda. Vice Chairperson Scott seconded the motion, which carried 7-0 and the agenda was approved.

4. PUBLIC COMMENT

Boardmember Ryu called for public comment. There was no one wishing to provide comment.

5. ACTION ITEM

- (a) Ordinance No. 1 Authorizing a \$20 Vehicle License Fee and Setting a Date when the Fee Shall be Collected

Debbie Tarry, Treasurer, provided the staff report. She expressed that the City spends \$3.25 million annually on its transportation system and the three primary revenues are the City's fuel tax, property tax, and the sales/vehicle license fee which was repealed in 2002 due to I-776. The majority of Shoreline voters opposed the initiative. There hasn't been a source of revenue to take its place and the City has had to make cuts in other areas to fund transportation maintenance. She added that there will be more budget gaps starting in 2010 and beyond and the current recession hasn't helped. Basically, she

highlighted, the City's costs are growing at a faster rate than revenues, despite cost cuts and savings. Executive Director Bob Olander noted that it will be more and more difficult to provide General Fund contribution for this.

Boardmember Way questioned where the cutbacks took place in the budget. Ms. Tarry replied that there were decisions made not to do some things and reduce funding to others. However, she explained that delaying maintenance of city streets will result in higher costs in the long run.

Boardmember Hansen commented that during the years the City was running surpluses in the budget and transferring funds from the General Fund to Roads maintenance it reduced the reserves.

Ms. Tarry said the state amended the Transportation Benefit District (TBD) statute to allow cities to fund improvements. The TBD Board is considering a \$20 vehicle license fee which would begin six months after adoption and generate \$600,000 in revenues annually. Additionally, she said it would take voter approval to increase the fee later.

Chairperson Ryu clarified with Ms. Tarry that if the County instituted a \$50 fee, then the residents would be paying \$30 to King County and \$20 to the City of Shoreline.

Ms. Tarry explained why the Long Range Financial Citizen Advisory Committee (CAC) recommended it. The fee will not close projected budget gaps, she highlighted, and the City must make additional choices to balance the budget in the future. There will be budget cuts in 2009 and contingency usage because the City must have a balanced budget. Mr. Olander communicated that the City adopted the 2009 budget last year and had to make a number of reductions there, too. Additionally, there were first quarter reductions this year and the past several years. He noted that the City will continue to look for cost savings and efficiencies. Ms. Tarry pointed out that the City has stayed within the 1% property tax. She noted that the City is coming to a point where difficult choices must be made and it will come down to program changes in the future.

Chairperson Ryu opened the meeting to public comment.

(a) Dick Parr, Shoreline, stated that the CAC recommended the vehicle license fee and studied past and future revenue sources. He said it is a disturbing trend that revenues aren't keeping up with expenditures and significant adjustments will be required in the future. He noted that the CAC sought input from the community and studied the citizen satisfaction surveys which noted that the priority was a desire to improve traffic and transportation. He hoped the economic conditions improve by February.

Vice Chairperson Scott moved to adopt Ordinance No. 1 authorizing a \$20 Vehicle License Fee and setting a date when the Fee shall be collected, seconded by Boardmember Way.

Boardmember Hansen communicated that this is an important part of the City's financing program for road maintenance. He said the only reservation he has is whether the City is going to grant a special interest group a tax reduction similar to the tax increase.

Vice Chairperson Scott felt that this legislation is reasonable and made sense. He stated that the residents are willing to support fees if the City can give them clear reasons.

Boardmember McConnell commented that the CAC isn't the only group involved in choosing this. She said it was strongly supported by those who attended their committee meetings. She pointed out that she doesn't like to tax residents, but this spreads out the burden to take care of the roads to all of the people who drive or have cars.

Boardmember Way concurred that the CAC studied the satisfaction survey and the Council and City staff often hear about condition of roads. She noted that this goes to the livability issue in this City. She thanked the CAC and City staff for hard work.

Boardmember Eggen announced that increasing taxes is something he never wants to do. However, the situation is fairly straightforward; this is an automobile-oriented community that has to maintain its roads. This is an important step in doing so.

Chairperson Ryu reiterated that in the long term, it is definitely cheaper to maintain roads rather than let them deteriorate. She said this is a preventive, cheaper way of addressing the roads in the City. She pointed out that she was reluctant to support this item until it was explained that it is an impact fee.

A vote was taken on the motion to adopt Ordinance No. 1 authorizing a \$20 Vehicle License Fee and setting a date when the Fee shall be collected, which carried 7-0.

(b) Motion to Authorize the Executive Director to Execute an Interlocal Agreement with the Washington State Department of Licensing (DOL) to collect a Vehicle License Fee

Boardmember Hansen moved to authorize the Executive Director to execute an Interlocal Agreement with the Washington State Department of Licensing (DOL) to collect a Vehicle License Fee, seconded by Boardmember McGlashan.

Ms. Tarry explained that this legislation allows DOL to collect the Vehicle License Fee on the City's behalf. She added that DOL retains 1% of the fees collected for this service.

Chairperson Ryu opened the item to public comment. There was no one wishing to provide comment on this item.

Chairperson Ryu noted that the City is attempting to make available as many funds as possible for the roads, so she inquired if the Executive Director is negotiating to reduce the amount DOL is retaining for this service. Mr. Olander replied that the Interlocal Agreement has been executed with several other cities under those terms.

Boardmember Hansen added that paying the state 1% to do this is very reasonable.

A vote was taken on the motion to authorize the Executive Director to execute an Interlocal Agreement with the Washington State Department of Licensing (DOL) to collect a Vehicle License Fee, which carried 7-0.

6. ADJOURNMENT

At 7:15 p.m., Chairperson Ryu declared the meeting adjourned.

Scott Passey, Secretary