

**CITY OF EDMONDS
TRANSPORTATION BENEFIT DISTRICT BOARD
APPROVED MINUTES
June 2, 2009**

The Edmonds Transportation Benefit District meeting was called to order at 9:52 p.m. by Board President D. J. Wilson in the Council Chambers, 250 5th Avenue North, Edmonds. The meeting was opened with the flag salute.

OFFICIALS PRESENT

D. J. Wilson, Board President
Ron Wambolt, Board Vice President
Michael Plunkett, Board Member
Peggy Pritchard Olson, Board Member
Dave Orvis, Board Member
Strom Peterson, Board Member

OFFICIALS ABSENT

Steve Bernheim, Board Member

STAFF PRESENT

Stephen Clifton, Community Services/Economic
Development Director
Kathleen Junglov, Finance Director
Scott Snyder, City Attorney
Sandy Chase, City Clerk
Jana Spellman, Senior Executive Council Asst.
Jeannie Dines, Recorder

1. APPROVAL OF AGENDA

Board President Wilson advised Audience Comments would be moved from Item 6 to Item 3.

BOARD VICE PRESIDENT WAMBOLT MOVED, SECONDED BY BOARD MEMBER PETERSON, TO APPROVE THE AGENDA IN CONTENT AND ORDER AS AMENDED. MOTION CARRIED UNANIMOUSLY.

2. CONSENT AGENDA ITEMS

BOARD VICE PRESIDENT WAMBOLT MOVED, SECONDED BY BOARD MEMBER PETERSON, TO APPROVE THE CONSENT AGENDA. MOTION CARRIED UNANIMOUSLY. The agenda items approved are as follows:

A. ROLL CALL

B. APPROVAL OF TRANSPORTATION BENEFIT DISTRICT MEETING MINUTES OF FEBRUARY 17, 2009.

3. AUDIENCE COMMENTS

Al Rutledge, Edmonds, commented the TBD Board was doing a good job. He suggested moving the Council meeting to 6:00 p.m. so that the TBD Board meeting could begin earlier.

3A. INTERLOCAL AGREEMENT BETWEEN THE CITY OF EDMONDS AND THE EDMONDS TRANSPORTATION BENEFIT DISTRICT.

Community Services/Economic Development Director Stephen Clifton explained the draft Interlocal Agreement between the City and the Edmonds Transportation Benefit (TBD) was on the February 17, 2009 agenda as a discussion item with the intent it would be presented to the TBD Board at a future meeting as an action item. No changes have been made to the Interlocal Agreement presented to the Council on February 17. If adopted, the Interlocal Agreement will help coordinate efforts to maintain and preserve streets and related transportation infrastructure within the City. Sections 1 and 2 of the Interlocal Agreement define the obligations of both the Edmonds TBD and the City.

City Attorney Scott Snyder explained under Washington law one public entity could not make a gift to another and all costs must be accounted for. Because the TBD had no employees, the draft Interlocal Agreement was a mechanism to provide for the costs of operating the TBD.

BOARD MEMBER PETERSON MOVED, SECONDED BY BOARD VICE PRESIDENT WAMBOLT, TO APPROVE THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF EDMONDS AND THE EDMONDS TRANSPORTATION BENEFIT DISTRICT. MOTION CARRIED UNANIMOUSLY.

4. INTERLOCAL AGREEMENT BETWEEN THE STATE OF WASHINGTON, STATE OF WASHINGTON DEPARTMENT OF LICENSING, AND EDMONDS TRANSPORTATION BENEFIT DISTRICT.

Mr. Clifton expressed his appreciation to City Attorney Scott Snyder and Finance Director Kathleen Junglov as well as representatives from the cities of Olympia and Des Moines for their assistance in negotiating the contract with the Washington State Department of Licensing (DOL). He acknowledged it had taken some time for the entities to reach agreement. If adopted, the Agreement would be submitted to the Department of Licensing who would begin collecting revenue on behalf of the Edmonds TBD.

The purpose of the Interlocal Agreement is to provide terms and conditions under which the DOL will administer and collect an annual vehicle license fee on behalf of the Edmonds TBD. The cities of Edmonds, Des Moines and Olympia worked with DOL to develop the Interlocal Agreement which contains a statement of work, period of performance, terms of the agreement, fee collection methodology, billing cycles, payments and reimbursement and the overall governance as well as records and documentation. Since preparing the packet, DOL provided the City with a reformatted agreement which he provided to Board Members this evening. The reformatted agreement contains Attachments B and C which clarify the type of vehicles subject to and those that are exempt from the annual vehicle license fee. Also provided is a disclosure agreement application that the City must complete assuring DOL that released vehicle information will remain confidential. Staff will complete the updated agreement application.

Mr. Snyder commented during the first meeting between the City, Lake Forest Park and DOL, the DOL was attempting to charge the first TBDs \$300,000 to set up their system, 1% for collections and an additional charge for data. After months of discussion, the charge is now within the statutorily allowed 1%. The Interlocal Agreement in the Board's packet was developed in conjunction with Olympia and Des Moines. DOL reformatted the document to eliminate the numbering on the paragraphs. Due to a concern that the first three cities would sign agreements and as other cities were added, DOL might charge less than 1%, the initial draft required if DOL signed another contract for less, they would reduce the amount charged to the initial cities to that level. In this version that language was removed.

He advised the Interlocal Agreement was subject to renegotiation within two years. DOL inserted language that the full 1% was charged due to startup costs, raising the question if startup costs have been covered the percentage should be lowered. The estimated revenue for the City is \$750,000; 1% for collecting that money is \$7,500. Even if negotiations could bring the 1% charge down to 0.9% which would save the City \$700, further delays may result in the loss of a quarter of revenue collection or \$170,000. The City of Olympia's attorney and he recommend approval of the Interlocal Agreement not as a perfect document but recognizing that this is a new project.

Mr. Snyder commented the state would be responsible for all costs associated with collecting and processing exemptions. If the error is where a person's home is located, that will be the City's responsibility. Mr. Clifton pointed out the phone number and fax number would be corrected on page 8.

Board Vice President Wambolt asked when collections would begin. Mr. Clifton answered this fall. Mr. Snyder advised once the contracts were signed, DOL is required to begin collection in not less than six months. The cities have provided DOL their information and the State is confident they can meet the fall deadline.

BOARD VICE PRESIDENT WAMBOLT MOVED, SECONDED BY BOARD MEMBER PETERSON, FOR APPROVAL OF THE INTERLOCAL AGREEMENT BETWEEN THE STATE OF WASHINGTON, STATE OF WASHINGTON DEPARTMENT OF LICENSING, AND EDMONDS TRANSPORTATION BENEFIT DISTRICT. MOTION CARRIED UNANIMOUSLY.

5. INTERLOCAL AGREEMENT WITH WASHINGTON CITIES INSURANCE AUTHORITY.

Finance Director Kathleen Junglov explained the TBD is a separate corporate entity and can sue or be sued in that capacity. Board Members serve on the TBD in an ex officio capacity. Since the TBD essentially has no assets, it is likely that any suit against the TBD could name the individual Board Members. The primary duty of the TBD will be street maintenance and lawsuits based on negligent design or improvements are a possibility. Insurance provides a safety net both for defense costs and any liability that may accrue to the TBD. She recommended the Board authorize the TBD President to sign the Interlocal Agreement between the TBD and WCIA as well as appoint a delegate.

Board President Wilson asked if the Interlocal Agreement provided indemnity for individual Board Members as well as the TBD. Mr. Snyder answered Board Members would be covered within the scope of their duties.

Board President Wilson observed the delegate's duties were to attend at least one meeting. He asked if the TBD was in jeopardy if the delegate did not attend at least one meeting. Ms. Junglov answered yes because it was a contract requirement. She affirmed with the WCIA representative that her attendance as the City's delegate could double for the TBD if she were appointed. Mr. Snyder's attendance at required WCIA legal sessions would also cover the TBD's obligation.

Board President Wilson asked whether the TBD would have a WCIA Board membership. Ms. Junglov responded the delegate would represent the TBD at WCIA. Board President Wilson asked whether other cities had a staff person as their delegate. Ms. Junglov answered yes. Mr. Snyder explained the delegates elect Board Members. The delegates' function is educational rather than a governance function.

Board President Wilson observed with a delegate but not a Board position, the TBD was bound by the Board's decisions. Mr. Snyder responded there were 12 Board seats on WCIA. The TBD's delegate would have a vote regarding selection of a Board seat but would not have a seat on the Board.

Board Member Plunkett asked whether the delegate would vote. Mr. Snyder answered it was primarily an educational function. The delegates vote on Board Members but not on a specific Board seat.

Board President Wilson referred to Items 1 and 4 in the delegate job description that require the appointed delegate to be in a position of authority to implement policies and procedures requested by WCIA. Ms. Junglov explained the delegate served as a liaison and channeled information such as she monitors claims that the City receives. There are also training requirements for delegates, one annual board meeting, delegate attentiveness training, etc.

Board President Wilson commented #4 in the delegate job description states the delegates were to come informed regarding issues and to vote appropriately. Mr. Snyder suggested staff provide Board Members a copy of the WCIA procedures. He compared the WCIA meetings to a shareholder meeting where there was discussions but votes that set policy were done by the Board. Mr. Snyder suggested the Board approve the Interlocal Agreement and delay appointment of the delegate until additional information was provided. He noted the Interlocal Agreement required the signature of the Board President as well as the delegate. He advised this Interlocal Agreement incorporated by reference the document that created the WCIA.

Board Member Peterson asked how difficult it would be to change the delegate in the future if that became necessary. Ms. Junglov responded the appointment could be easily changed. Board Member Peterson suggested appointing Ms. Junglov and changing the appointment in the future if necessary.

Board Vice President Wambolt asked who would be the alternate delegate. Ms. Junglov advised the City's alternate was Accountant Deb Sharp.

BOARD VICE PRESIDENT WAMBOLT MOVED, SECONDED BY BOARD MEMBER PETERSON, TO APPROVE THE INTERLOCAL AGREEMENT WITH WASHINGTON CITIES INSURANCE AUTHORITY. MOTION CARRIED UNANIMOUSLY.

BOARD VICE PRESIDENT WAMBOLT MOVED, SECONDED BY BOARD MEMBER PETERSON TO APPOINT KATHLEEN JUNGLOV AS THE EDMONDS TRANSPORTATION BENEFIT DISTRICT'S DELEGATE. MOTION CARRIED UNANIMOUSLY.

BOARD VICE PRESIDENT WAMBOLT MOVED, SECONDED BY BOARD MEMBER PETERSON, TO APPOINT DEB SHARP AS THE ALTERNATE. MOTION CARRIED UNANIMOUSLY.

6. BOARD COMMENTS

Board Members made no comments.

7. ADJOURN

With no further business, the TBD meeting was adjourned at 10:23 p.m.