

**CITY OF EDMONDS
TRANSPORTATION BENEFIT DISTRICT BOARD
APPROVED MINUTES
February 18, 2014**

The Edmonds Transportation Benefit District meeting was called to order at 6:45 p.m. by Board Member Kristina Johnson in the Council Chambers, 250 5th Avenue North, Edmonds. The meeting was opened with the flag salute.

OFFICIALS PRESENT

Kristiana Johnson, Board Member
Strom Peterson, Board Member
Lora Petso, Board Member
Joan Bloom, Board Member
Adrienne Fraley-Monillas, Board Member
Diane Buckshnis, Board Member

STAFF PRESENT

Stephen Clifton, Community Services/Economic
Development Director
Phil Williams, Public Works Director
Rob English, City Engineer
Sharon Cates, City Attorney
Scott Passey, City Clerk
Jana Spellman, Senior Executive Council Asst.
Jeannie Dines, Recorder

1. **ROLL CALL**

City Clerk Scott Passey called the roll. All board members were present.

2. **APPROVAL OF AGENDA**

BOARD MEMBER BUCKSHNIS MOVED, SECONDED BY BOARD MEMBER PETERSON TO APPROVE THE AGENDA IN CONTENT AND ORDER. MOTION CARRIED UNANIMOUSLY.

3. **APPROVAL OF TRANSPORTATION BENEFIT DISTRICT MINUTES OF AUGUST 6, 2013**

BOARD MEMBER BUCKSHNISH MOVED, SECONDED BY BOARD MEMBER PETERSON, TO APPROVE THE TRANSPORTATION BENEFIT DISTRICT MINUTES OF AUGUST 6, 2013. MOTION CARRIED UNANIMOUSLY.

4. **ELECTION OF TRANSPORTATION BENEFIT DISTRICT BOARD PRESIDENT AND VICE PRESIDENT FOR 2014**

Board Member Johnson read the procedures for the election of Transportation Benefit District Board President and Vice President and opened nominations for President of the City of Edmonds Transportation Benefit District Board.

BOARD MEMBER BUCKSHNIS NOMINATED KRISTIANA JOHNSON AS PRESIDENT OF THE TRANSPORTATION BENEFIT DISTRICT BOARD.

Hearing no further nominations, Board Member Johnson closed nominations for President of the Transportation Benefit District Board.

Board Member Johnson opened nominations for Vice President of the City of Edmonds Transportation Benefit District Board.

BOARD MEMBER BUCKSHNIS NOMINATED STROM PETERSON AS VICE PRESIDENT OF THE TRANSPORTATION BENEFIT DISTRICT BOARD.

Hearing no further nominations, Board Member Johnson closed nominations for Vice President of the Transportation Benefit District Board.

By acclamation, Kristina Johnson was elected President of the Transportation Benefit District Board and Strom Peterson was elected Vice President.

5. AUDIENCE COMMENTS

There was no one present in the audience who wished to provide comment.

6. ANNUAL REPORT PER RCW 36.73.160(2)

Public Works Director Phil Williams

- Edmonds City Council forms ET BD on November 18, 2008
- TBD Board enacts \$20/year fee with Ord. No. 1 on February 17th, 2009 limiting the uses of funds collected to the operation, maintenance, and preservation of streets and related traffic control assets
- \$640,944 was collected in 2012. All of which, and more, was spent on maintenance, preservation, and operations of City streets, including pavement repair & maintenance, signage management, markings, crosswalks, and traffic signals
- \$650,836 collected in 2013 with \$607,774 spent on maintenance, preservation, and operations of City streets, including pavement repair & maintenance, signage management, markings (buttons, curb paint, etc.), crosswalks, and traffic signals
- Note: No crack sealing was performed in 2013 due to the elimination of temporary summer help to meet street budget reductions.

Mr. Williams displayed pictures of activities funded with TBD revenue including asphalt repair, pothole patching, signal maintenance and programming, graffiti removal and paving. He also provided the following information:

- \$645,000 budgeted for 2014 to come from gas tax for street maintenance, preservation, and operations.
- \$5,000 less than was estimated in 2013.
- \$115,000 in gas tax revenues budgeted for 2014 for street capital projects. \$5,000 less than was estimated 2013.
- Prevailing elevated gas prices combined with a slow-growth economy continue to depress gas tax revenue estimations.
- Total gas tax in Washington 55.9 cents/gallon (7th highest)-fixed
- \$645,000 budgeted for 2014 in TBD revenue.
- \$400,000 dollars in General Fund transfers to Street Fund budgeted in 2014.

- An estimated additional \$1.2 million is needed above and beyond current funding levels to provide a sustainable street condition. This does not include capital projects.

Board Member Peterson commented the legislature is discussing a transportation package that may include the ability for TBD Boards to increase the fee. Mr. Williams recalled versions were introduced in both the House and Senate and they have survived the legislative process thus far. It is unknown whether that effort will ultimately be successful.

Board Member Fraley-Monillas asked about chip sealing. Mr. Williams advised the 2014 Pavement Preservation Program includes chip sealing three street segments; on 72nd and 73rd in northeast Edmonds and on 2nd Avenue in the bowl. The Council's agenda tonight includes an Interlocal Agreements with Snohomish County to do the chip seal and small paving projects and a second Interlocal Agreement for paving on 100th and funds that will be set aside to match a federal grant to pave 220th in 2015. Once the chip seal projects are completed, whether to expand the use of chip seal in Edmonds can be discussed.

Board Member Bloom referred to the minutes of the August 2013 TBD meeting that stated the need to expand the list of eligible expenses such as electricity for streetlights and traffic signals. She observed if the legislature allows TBDs to increase the fee, the Edmonds TBD Board will need to take action to increase the fee. Mr. Williams agreed. Board Member Bloom asked when it would be appropriate to discuss expanding the list of eligible expenses. Mr. Williams explained if the legislature allows TBDs to increase the fee above \$20/vehicle; the Edmonds TBD can decide whether where to enact a higher fee. With regard to the list of eligible expenses, when he made that statement last year he believed the City's had self-limited how the TBD revenue could be spent. However upon further research of both the legislative process and the ordinance establishing the TBD, use of the revenue was not self-limited. The only statement was that the \$20 TBD fee would not be sufficient to fund an overlay program and would be used to supplement operations and maintenance activities. He summarized the City's authorizing legislation did not need to be changed to allow TBD revenues to be spent as all other funds available in Fund 111.

Board Member Bloom asked whether payment of electricity for traffic signals and streetlights was already allowed. Mr. Williams answered yes, although TBD funds have not been spent on those items. Board Member Bloom asked where the funds for electricity for traffic signals and streetlights came from. Mr. Williams answered in the past, the only sizable sources of revenue were gas tax and TBD revenue (since 2009). Prior to 2009, the General Fund made very sizable annual subsidizes for street operations and maintenance. When the TBD was formed and the fee enacted, the General Fund ceased making those large contributions to the Street Fund and allowed TBD revenue to replace that contribution. The two sources of revenue in Fund 111 are TBD revenues of approximately \$645,000 and gas tax of approximately the same amount. In 2014, the Council prioritized an additional \$400,000 for those purposes. Electricity would be paid from those collective funds. Also in 2014, the Council budgeted \$1.2 million to restart the pavement preservation program. He noted the \$1.2 million will be routed through Fund 112, a Street Capital fund.

Board Member Bloom referred to the former Transportation Committee, recalling that all the members had resigned. She asked whether a Transportation Committee would be beneficial in advising the TBD Board how to spend the revenue. Mr. Williams answered the Transportation Committee was very useful in the process of updating the Transportation Plan. When the Plan is being implemented, the Transportation Committee found less to do. The Transportation Committee was also very invested in the unsuccessful 2010 ballot issue. He envisioned the committee could be reenacted when the Transportation Plan is updated. City Engineer Rob English said the Transportation Plan update is due in 2015. Mr. Williams suggested it may be helpful to reenact the Transportation Committee within the next 12 months.

Board Member Buckshnis commented gas tax revenue is declining due to electric cars. She inquired about efforts to tax electric car owners. Mr. Williams answered there are disparate opinions about whether to tax electric car owners. During the legislature's discussion of the transportation package, some felt drivers of electric cars should pay their fair share of the costs and others felt use of electric cars should be encouraged and there should be some benefits. If the use of electric or alternative fuel vehicles expands significantly, the issue will need to be addressed to prevent significant declines in revenue. The discussion currently is about equity rather than loss of revenue.

Board Member Buckshnis pointed out the revenue collected from gas tax does not increase when gas prices increase. Mr. Williams agreed.

7. BOARD COMMENTS

Board Member Bloom suggested the reformation of the Transportation Committee be scheduled on the Council retreat agenda.

Board Vice President Peterson encouraged anyone concerned about the transportation package to contact their legislators in Olympia and urge them to pass a transportation package, especially one that would provide flexibility to local governments.

Board President Johnson announced the TBD Board's next meeting will be in August 2014.

8. ADJOURN

With no further business, the TBD Board meeting was adjourned at 7:09 p.m.