

**CITY OF EDMONDS
TRANSPORTATION BENEFIT DISTRICT BOARD
APPROVED MINUTES
August 6, 2012**

The Edmonds Transportation Benefit District meeting was called to order at 6:32 p.m. by Board President Strom Peterson in the Council Chambers, 250 5th Avenue North, Edmonds. The meeting was opened with the flag salute.

OFFICIALS PRESENT

Strom Peterson, Board President
Lora Petso, Board Vice President
Frank Yamamoto, Board Member (arrived 6:51 p.m.)
Joan Bloom, Board Member
Kristiana Johnson, Board Member
Adrienne Fraley-Monillas, Board Member
(arrived 6:34 p.m.)
Diane Buckshnis, Board Member

STAFF PRESENT

Phil Williams, Public Works Director
Shawn Hunstock, Finance Director
Jeff Taraday, City Attorney
Sandy Chase, City Clerk
Jana Spellman, Senior Executive Council Asst.
Jeannie Dines, Recorder

1. APPROVAL OF AGENDA

BOARD MEMBER BUCKSHNIS MOVED, SECONDED BY BOARD VICE PRESIDENT PETSO, TO APPROVE THE AGENDA IN CONTENT AND ORDER. MOTION CARRIED UNANIMOUSLY. (Board Members Fraley-Monillas and Yamamoto were not present for the vote.)

2. CONSENT AGENDA ITEMS

BOARD MEMBER BUCKSHNIS MOVED, SECONDED BY BOARD VICE PRESIDENT PETSO, TO APPROVE THE CONSENT AGENDA. MOTION CARRIED (4-0-1), BOARD MEMBER JOHNSON ABSTAINED. (Board Members Fraley-Monillas and Yamamoto were not present for the vote.) The agenda items approved are as follows:

A. ROLL CALL

B. APPROVAL OF TRANSPORTATION BENEFIT DISTRICT BOARD MEETING MINUTES OF FEBRUARY 7, 2012.

3. 2ND QUARTER 2012 EDMONDS TRANSPORTATION BENEFIT DISTRICT QUARTERLY REPORT

Public Works Director Phil Williams explained the ordinance the Council passed establishing the Edmonds Transportation Benefit District (TBD) requires staff present the Board a quarterly report. He

reviewed a report entitled, Schedule of Revenue, Expenditures and Change in Fund Balance, Transportation Benefit District for the Period Ended June 30, 2012:

- \$639,180 collected in 2011 was spent on maintenance and preservation of City streets, including pavement repair and maintenance, signage management, markings (buttons, curb paint, etc.), crosswalks, and traffic signals
- \$267,200 collected in second quarter 2012, down 12% compared to \$303,275 collected second quarter 2011
- Second quarter typically includes when licenses are purchased for boat trailers, RVs, etc. Lower amount collected in the second quarter 2012 could be due to a cooler spring.
- Second quarter expenses that met the criteria totaled \$326,588; the difference of \$59,388 is provided by Street Fund 111
- In 2012, revenues exceeded expenses and excess revenue was placed in Fund 111.
- Second quarter expenditures included:
 - Cracksealing
 - 450 manhours
 - 6,750 lbs. of sealer applied from 76th Avenue to 9th Avenue and from Main to Puget Drive
 - Asphalt Repairs
 - 16 repairs on Olympic View Drive from 76th to Andover
 - 43 tons of asphalt
 - 2,752 square feet
 - July 23 - present

Mr. Williams provided the following information related to street maintenance:

- \$700,000 budgeted in 2012 from gas tax (\$160,000 goes to Fund 112 for Street capital projects)
- Prevailing high gas prices and depressed economy have kept gas tax revenue low, lower than last year and trending downward.
- Total gas tax in Washington is 55.9 cents/gallon (7th highest in the nation) – fixed, does not fluctuate with the price of gas
- \$600,000 budgeted for 2012 in TBD revenue
- Zero dollars in General Fund transfers budgeted in 2011 and 2012
- The City has not paved any streets with its own resources since 2008
- An additional \$1.5 million is needed above and beyond current funding levels to provide a sustainable street condition.

Mr. Williams displayed a bar graph illustrating miles of roadway rated as new, good, fair, poor and severe 2005-2011. He explained as time progresses, the number of new streets decreases and the number of severe streets trend upward.

Board Member Buckshnis referred to past TBD revenue, \$589,545 in 2010 and \$639,180 in 2011 and the budget in 2012 of \$600,000. She referred to new apartment complexes on SR 104 and asked whether the budgeted amount was conservative. Mr. Williams answered the same revenue was budgeted in 2011 and 2012. Based on the 12% decrease in second quarter revenue, he did not anticipate the budget was too conservative. He anticipated the year-end revenue would be close to the \$600,000 budget.

Board Member Buckshnis observed all of the TBD revenue collected is spent each quarter and noted revenue bonds would require accumulating a bucket of money. Mr. Williams answered there are a number of ways efforts could be augmented but they would require education and outreach to citizens to convince them of the necessity. Those efforts have not been successful in recent years; voters did not

support an increase in the license fee or a street levy. He emphasized something needed to be done; if not, the condition of the City's streets will continue to decline. As the condition of streets worsen, repair costs increase dramatically; once streets reach a severe condition, the base must be rebuilt and the cost per square yard is very high.

For Board Member Buckshnis, Mr. Williams explained revenue bonds require a revenue source to pay the debt service. The City does not have an ongoing, predictable revenue source to borrow against. Board Member Buckshnis observed it will be necessary to continue to educate the public or to allow streets to "go down to gravel." Mr. Williams responded some municipalities are considering doing that, taking care of arterial streets but by necessity ignoring residential streets.

Board Member Johnson commented she is very interested in transportation. She asked that information be included in the Board's packet for the next quarterly report so that board members have an opportunity to review it prior to the meeting.

Board President Peterson referred to the list of items that can be funded with TBD revenue and asked if there were activities that should be added or deleted. Mr. Williams answered the revenue collected has approximately matched the list of activities in the ordinance. Streets have \$1.5 million in expenditures but only \$600,000 in TBD revenue; gas tax revenue covers the remaining expenditures. Staff could provide a recommended change to the ordinance to include additional activities. Any change would also require Council approval.

Board President Peterson relayed his understanding that the Board could not further increase the license fee amount, noting that ability was considered by the legislature but not approved. Mr. Williams responded he has heard that issue will come up again during the next legislative session; there seemed to be a great deal of support for it during the last legislative session.

4. AUDIENCE COMMENTS

Alvin Rutledge, Edmonds, agreed something needs to be done. He suggested the TBD Board work on a levy as well as grants to fund a shuttle to take citizens to health clinics.

Roger Hertrich, Edmonds, suggested future quarterly reports separate staff expenditures from project expenditures. He questioned the footnote on the report regarding funding constraints. He commended the asphalt repairs that have been done and recommended the City also do chipsealing. In his conversations with Public Works staff, they do not appear to be interested in chipsealing. He referred to 212th in Mountlake Terrace that was recently chipsealed. He suggested the TBD Board have a presentation from Engineering and Public Works regarding chipsealing.

5. BOARD COMMENTS

Board Member Bloom asked the difference between cracksealing and chipsealing. Mr. Williams explained cracksealing utilizes a reservoir of tack and a wand; the operator applies hot fluid asphalt into individual cracks to seal them and prevent water from reaching the road bed. Failure is often due to moisture and water under the asphalt. Cracksealing is designed to be done on streets that are just beginning to show signs of fatigue and cracking. A road that is alligatored and broken would require a great deal of flowable asphalt. Chipsealing is laying tack on the entire road, covering it with gravel and rolling it which provides a thin, uniform surface. That is a great way to preserve a road that is in reasonably good repair. Although chipsealing is less expensive than paving, it requires funds the City does not have.

Board Member Bloom asked whether it would be worthwhile to consider chipsealing as an option. Mr. Williams agreed chipsealing is less expensive than grinding a street down and applying a 2 inch overlay such as will be done on 5th Avenue. Chipsealing could have a place in the City's program if there were a revenue source.

Board Member Buckshnis asked Mr. Williams to clarify the additional \$59,388 in expenditures that were absorbed by the Fund 111 Street Fund (footnote at the bottom of quarterly report). Mr. Williams explained \$267,200 was collected in TBD revenue during the second quarter; there were \$326,588 in expenses that meet the criteria in the ordinance. The difference, \$59,388, is funded by Fund 111's other revenue source, gas tax. The opposite may occur during the next quarter; if expenses that meet the criteria are less than the revenue, the extra revenue would then be placed in Fund 111.

Board Member Buckshnis asked whether activities that can be funded with TBD revenue are tracked. Mr. Williams assured there is time accounting for all activities. He was uncertain why Mr. Hertrich wanted labor shown separately; expenditures are not only the cost of material but include equipment as well as labor and benefits to do the work.

6. ADJOURN

With no further business, the TBD Board meeting was adjourned at 7:00 p.m.