

1999 09 23 Joint Mtg/Legislator/Other Cities

JOINT MEETING OF THE

CITY COUNCILS OF LAKEWOOD, DUPONT, FIRCREST, STEILACOOM AND UNIVERSITY PLACE AND THE 2ND,
28TH AND 29TH DISTRICT WASHINGTON STATE LEGISLATORS

MINUTES

Thursday, September 23, 1999

Tacoma Country and Golf Club

13204 Country Club Drive

Lakewood, Washington

CALL TO ORDER

Mayor Harrison of the City of Lakewood called the meeting to order at 6:30 p.m.

ATTENDANCE

Councilmembers Present: 5 - Mayor Bill Harrison; Deputy Mayor Claudia Thomas; Councilmembers Larry Humphrey, JosÃ© Palmas and Doug Richardson.

Representatives of the Cities of DuPont, Fircrest, Steilacoom and University Place.

Washington State 2nd District Legislators Present: 1 - Senator Marilyn Rasmussen.

Washington State 28th District Legislator Present: 3 - Senator Shirley Winsley and Representatives Michael Carrell and Gigi Talcott.

Washington State 28th District Legislator Present: 3 - Senator Shirley Winsley and Representatives Michael Carrell and Gigi Talcott.

Washington State 29th District Legislator Present: 1 - Senator Rosa Franklin.

City Staff Present: City Manager D. Scott Rohlfs; Deputy City Manager Andrew Neiditz; City Attorney Dan Heid and Management Analyst Mike Foster.

WELCOME - POTENTIAL DISTRICT IMPACTS OF INITIATIVE 695

Initial/opening remarks were provided by Mayor Harrison, describing the purpose of the meeting, to acquaint our area legislators (Legislative Districts 2, 28 and 29), with the problems that would be felt by those cities impacted by the loss of motor vehicles excise tax revenues in the event that Initiative 695 passes. Mayor Harrison described the statewide implications of the Initiative and described, more particularly, those implications that deal with the represented cities and other cities dependent upon motor vehicle excise tax and sales tax equalization. Documents were handed out detailing the financial data dealing with where motor vehicle excise tax dollars go, and comparisons of motor vehicle excise tax/sales tax equalization payments on identified jurisdictions, pointing out that Lakewood and University Place are among the largest recipients of sales tax equalization.

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Mayor Harrison also identified statistical data regarding sales tax receipts and the inequity of the current per capita receipts among various jurisdictions and the wide disparity of per capita dollars to various jurisdictions, emphasizing the propriety of sales tax equalization in order to allow cities whose citizens spend their dollars elsewhere to receive basic, necessary municipal services. Mayor Harrison indicated the need for sales tax equalization to be addressed

legislatively in the event that Initiative 695 is approved. The alternative would be to suffer dramatic loss of services among those jurisdictions more heavily dependent on sales tax equalization and motor vehicle excise tax dollars.

Individual Cities (Potential Impact Discussions)

City of DuPont Mayor Shenkel expressed his concerns regarding Initiative 695 and that it imposes a vote requirement where none is currently required, essentially substituting this process for the existing representative government process. Mayor Shenkel asked rhetorically whether with Initiative 695 it wouldn't be appropriate to abandon all forms of government and leave the voters to make all the decisions of government.

Following Mayor Shenkel's comments, representatives of Fircrest indicated how Initiative 695 would impact its operations and also identified concern regarding the lumping together of dollars for all purposes including utilities into the same pots affected by Initiative 695. Initiative 695 would cause Fircrest a loss of about fifteen percent of its budget and has prompted the City to put a freeze on hiring to fill vacancies until after the election on Initiative 695.

Lakewood City Manager Scott Rohlf reported on the statistical impacts that Lakewood would feel if motor vehicle excise tax revenues would be lost, including weighted service level reductions of between ten to fifteen percent for police to sixteen percent for parks, since the City of Lakewood was necessarily keeping police and law enforcement needs as its top priority. City Manager Rohlf indicated that the City of Lakewood had service needs in excess of what it has been able to fund, and reducing the resources necessary to support those services is something that will be felt by the City and cannot escape impacts on police since the City receives twenty-six percent of its general fund revenues from the motor vehicle excise tax dollars and police and law enforcement services comprise over sixty percent of the entire City's budget.

Steilacoom Mayor Janda Volkmer details the potential impacts on Steilacoom if Initiative 695 passes, including the loss of approximately fourteen percent of its budget, and detailing how cuts of service levels would be projected in case the Initiative is passed.

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University Place Councilmember Lorna Smith described the impacts of Initiative 695 on University Place, a City dependent on over thirty percent of its general fund revenues on motor vehicle excise tax dollars. The impacts would cause the loss of its ability to function in the nature of twelve percent for police to forty-three percent for parks and recreation. The City of University Place explained the steps it has taken in anticipation of potential impacts, including increasing its utility tax and other fees and charges.

Discussions of Options and Directions - City Councils and Legislators

Mayor Harrison again addressed the legislators and other attendees, indicating, and emphasizing the need for legislative action should Initiative 695 pass. Mayor Harrison also asked each of the members of the legislature to share any comments they would wish to on this topic.

Representative Mike Carrell provided a bill which he indicated he was willing to sponsor which would propose a sales tax credit so that affected sales tax equalization cities would be able to keep a measure of the State's sales tax generated within the City jurisdiction through a city tax credit. The proposed language of this bill was shared with attending jurisdictions. Other legislators spoke in terms of recognizing the need to address the impacts of Initiative 695, although none had specific proposals that were able to be shared with the attending jurisdictions at this time. Additionally, several of the legislators expressed positions with respect to the potential for a special session being called by the Governor and/or Legislature, to address these issues.

Mayor Harrison thanked the attending officials from the cities and from the legislature for participating in this forum.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:30 p.m.

BILL HARRISON, MAYOR

ATTEST:

ALICE M. BUSH, CMC/AE

CITY CLERK