



City Council Study Session PWCD SFA

July 24, 2017 - 5:30 PM

Auburn City Hall

MINUTES

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I. CALL TO ORDER

Deputy Mayor Largo Wales called the meeting to order at 5:30 p.m. in the Council Chambers of Auburn City Hall, 25 West Main Street in Auburn.

A. Roll Call

Councilmembers present: Deputy Mayor Wales, Claude DaCorsi, John Holman, Bill Pelozza, and Yolanda Trout-Manuel. Councilmember Rich Wagner arrived at 5:34. Councilmember Bob Baggett was excused.

Mayor Nancy Backus and the following department directors and staff members were present: City Attorney Daniel B. Heid, Chief of Police Bob Lee, Assistant Director of Community Development Services Jeff Tate, Director of Administration Dana Hinman, Innovation and Technology Director Paul Haugan, Assistant Director of Engineering Services/City Engineer Ingrid Gaub, Utilities Engineering Manager Lisa Tobin, Community Development and Public Works Administrative and Budget Services Manager Darcie Hanson, and Assistant Director of Innovation and Technology Ashley Riggs, and Deputy City Clerk Shawn Campbell.

II. ANNOUNCEMENTS, REPORTS, AND PRESENTATIONS

There was no announcement, report or presentation.

III. AGENDA ITEMS FOR COUNCIL DISCUSSION

A. Area Contributors to the Allenmore Behavioral Hospital (10 Minutes)(Presenters: Ingrid Gourley-Mungia (MultiCare) and Anne McBride from CHI Franciscan

A joint venture between MultiCare Health System and CHI Franciscan Health formed the Alliance for South Sound Behavioral Health in 2015. The coalition is seeking to fund a \$42 million project to bring a 120-bed acute psychiatric care hospital to Tacoma to serve Pierce County and South King County.

Anne McBride, Vice President of Behavioral Health Services for CHI Franciscan and Ingrid Gourley-Mungia of Public Relations for MultiCare provided an update on the Allenmore Behavioral Hospital.

Ms. McBride reported that the facility is on target to open at the end of

2018 and will be servicing patients in early 2019. The project is on target for budget purposes. A groundbreaking is scheduled for September 29th.

Ms. Gourley-Mungia stated the South Sound Behavioral Health presented to the Council earlier this year. The project is a joint venture between MultiCare and CHI Franciscan to form the Alliance for South Sound Behavioral Health and constructing and operating a 120-bed psychiatric hospital in Tacoma to serve Pierce County and South King County.

In response to questions from Councilmember Pelozo. Ms. Gourley-Mungia stated Auburn is asked to be a contributor since Auburn has residents that would be served by the hospital. The hospital will serve those who come for help regardless of their city of origin.

Ms. Gourley-Mungia stated MultiCare Hospital has 40 beds available for mental health patients. The beds are limited to involuntary treatment. Those who wish to voluntarily commit will be able to use Allenmore Hospital. Allenmore will also have a crisis stabilization unit.

In response to questions from Councilmember DaCorsi regarding financing, Ms. McBride stated MultiCare and CHI Franciscan are pledging \$10 million each. Ms. Gourley-Mungia stated the State pledged \$5 million from the 2015 budget, which has been received. The State has pledged an additional \$3 million, but the grant is not confirmed.

Councilmember Holman stated the need for a mental health facility is great. Those incarcerated with mental health issues would be far bettered served by a trained mental health facility.

Ms. McBride stated local governments are being asked to help the Coalition collect \$5-\$6 million for construction of the facility.

Chief of Police Lee expressed his support for additional mental health beds. Chief Lee commented that today he received an email from an officer regarding the number of mental health calls the police receive each day. On average, the Police respond to 19 welfare checks, suspicious or unwanted individuals with mental health issues.

Deputy Mayor Wales questioned the amount of commitment that the City of Auburn is being asked to contribute.

In response to questions from Councilmember Trout-Manuel, Ms. Gourley-Mungia described how the Coalition came to develop the list of local governments as contributors and the level of commitment. Councilmember Trout-Manuel stated she would prefer to commit funds locally.

Ms. Gourley-Mungia stated that although the City of Federal Way indicated they are not participating at this time, the Coalition is continuing talks with

Federal Way.

Mayor Backus stated she appreciates the priority for expending funds for Auburn residents. But even though the facility is not located in Auburn, Auburn residents will still be able to receive benefits from the new hospital. The hospital in Auburn has only 40 beds reserved for behavioral health care and are for involuntary commitments.

Councilmember Wagner inquired about the timing for the funding. Ms. McBride stated the construction is taking place over the next year.

B. Deputy Mayor Selection Ad Hoc Committee Report

Councilmember DaCorsi, chair of the Deputy Mayor Selection Ad Hoc Committee, along with Councilmembers Peloza and Trout-Manuel met earlier today to review amendments to the Council Rules of Procedure regarding selection of the Deputy Mayor.

Revisions to the Rules of Procedure were presented to the Council. The current proposal provides, among other amendments: other than the automatic nomination of the most senior Councilmember who has not previously served as Deputy Mayor, all other nominations for the position of Deputy Mayor shall be made by members of the City Council on the dates of election for the Deputy Mayor position; and it is strongly suggested that Councilmembers approach the election in an open, transparent and respectful manner, avoiding anything that jeopardizes harmony among Councilmembers.

Councilmember Wagner inquired regarding the Deputy Mayor serving as Mayor if the Mayor is incapacitated. Councilmember DaCorsi stated the rules include provisions regarding prolonged absences of the Mayor.

C. Business License Presentation (20 Minutes) (Snyder)

Overview of the City's business license program and comparison with other jurisdictions

Assistant Director of Community Development Services Tate and Community Development Business and Budget Manager Darcie Hanson briefed the Council on the current business licensing regulations in Auburn.

Business licensing is regulated under Title 5 of the Auburn City Code and regulates general businesses, Auburn-based businesses, rental housing, home occupations, contractors, and certain endorsements (solicitors, massage, tow truck, pawnbroker).

Assistant Director Tate answered questions regarding home occupations. The zoning code establishes the requirements and standards for a home occupation.

Assistant Director Tate reviewed the business license process. An

applicant can submit their application in person or via email. The application is routed to six reviewers, which triggers a comment letter or an approval. Upon approval, the license is mailed or picked up.

The applications are reviewed by Planning, Building, Fire, Utilities, Police, and Traffic. Planning reviews for zoning and parking regulations. Building reviews for occupancy and building code requirements. Fire reviews for any hazardous materials storage. Utilities reviews for backflow and fats/oils/grease. Police review for a short background check for certain types of businesses, and Traffic reviews for any trip increases. The overall review takes approximately two weeks.

Assistant Director Tate acknowledged the current business license fees do not cover the cost of the application review by staff. The license fee has not been increased since 2003.

Councilmember Wagner stated that originally the purpose of business licensing was for collecting data and learning what type of activity was occurring at an address.

Assistant Director Tate reviewed a comparison of other surrounding cities business license fees.

Councilmembers discussed compliance and outreach relating to business licensing.

At 6:55 p.m., Deputy Mayor Wales recessed the meeting for an eight-minute intermission. The meeting was reconvened at 7:04 p.m.

D. Insurance Update (30 Minutes)(Roscoe)

Updates for Workers' Compensation, WCIA - Liability Program, and Medical - Employee Health Care, based on year ending 2016.

Human Resources and Risk Management Director Roscoe updated the Council on the City's insurance programs.

The City elected to self-insure for workers compensation and the program is operating well. The revenue from payroll collection was \$875,000 in 2016, while expenses were \$556,000. Revenue projection for 2017 is \$933,000 depending on worker hours. Director Roscoe stated the City has paid less for worker's compensation costs than if the City had remained with the State. The City retains a self-insured retention of \$500,000 per claim.

Director Roscoe reported the City experiences approximately 40 worker's compensation claims per year. The cost of the claims has increased primarily due to the increase in medical costs. Director Roscoe also reported that since self-insuring, the worker's compensation claims have closed earlier than the experience under the State's program.

Director Roscoe provided an update on the City's liability insurance provided through the Washington Cities Insurance Authority (WCIA). WCIA is a municipal insurance pool created via an interlocal agreement. WCIA provides the City's property, automobile, and liability insurance coverage. The deductible for auto and property damage is \$5,000 and there is no deductible for liability.

Rates are set using an actuary analysis of losses and expenses to determine needed revenue. WCIA's rates are determined by their overall funding needs. Member rates are determined by the member's five year loss history.

Director Roscoe updated the Council on the changes to the City's medical coverage for employees. In 2016, the City changed several benefit coverages. The City moved from Regence BlueShield through the Association of Washington Cities (AWC) to Premera Blue Cross direct. Vision coverage was also changed from AWC to Vision Service Plan direct. LEOFF 1 retiree coverage was also moved from the AWC Premera Plan to a Hartford Group Medicare. The City's VEBA plan was also moved from HRA Gallagher to Benefit Plan Administrator Services (BPAS).

The reasons for the changes included impending implications of the Affordable Care Act, AWC's discontinuance of the Regence HealthFirst Plan and Group Health Copay Plan, lack of access to specific experience information, and costs. The City's total savings from the plan changes was \$1,022,843.

Director Roscoe reviewed the experience report.

In response to questions from Councilmember Pelloza, Director Roscoe assured the Council the City offers competitive benefit packages to employees. The City pays 100 percent of the insurance premium for the employee and ten percent for dependents.

IV. PUBLIC WORKS AND COMMUNITY DEVELOPMENT DISCUSSION ITEMS

At this time, Councilmember Wagner, chair of the Public Works and Community Development Special Focus Area, presided over the following special focus area discussion items.

A. Private Service Line Warranty Program (20 Minutes)(Snyder)

Utility Engineering Manager Lisa Tobin and Assistant Engineering Director/City Engineer Ingrid Gaub presented information on a private sewer line warranty offered through the National League of Cities (NLC).

Manager Tobin explained the responsibility of the repairs to side sewer and water service lines are the property owners. Typically, a homeowner's insurance policy does not cover the expenses for repairs to the side sewer and water line on the property owner's property. This type of repair can

range from \$4-8,000 and water \$2-6000.

The NLC has partnered with Utility Service Partners (USP) to promote the Service Line Warranty Program. The program is voluntary. The program repairs private water service line and side sewers at no cost to the City. The City can receive a royalty from each customer that signs up for the program.

USP would enter into an agreement with Auburn for USP to send Auburn-endorsed marketing materials to Auburn single-family property owners. The agreement between USP and the City would indemnify Auburn. The program covers up to \$8,500 per incident and includes physical repairs, investigation, permits and restoration. The cost of the side sewer program is \$8.00 per month and \$6.00 for the water service line. The fees are billed by the company.

The customer can call a toll free number available 24/7. Repairs are conducted by a pre-qualified local plumbing company.

Manager Tobin displayed sample marketing materials.

Manager Tobin reported staff from several departments evaluated the program and had some concerns:

- Marketing materials with Auburn logo creates confusion regarding claim responsibility
- City likely would see an increase in claims for items it is not responsible for
- Accepting a royalty may expose City to liability for claims
- Reluctant to provide our customer records for mailing by a for-profit company
- City endorsement of a company where City has no control over operations or customer service may reflect poorly on the City
- Unclear how City's responsibility for repairs in ROW will be handled
- Other companies/programs are available, which property owners could explore on their own

Mayor Backus stated the City of Kenmore is the only city in Washington participating in the program. The City of Kenmore does not accept the royalty.

Councilmember Peloza stated the program has been sponsored by NLC for approximately six years. Councilmember Peloza reported the State of Washington Insurance Commissioner did not authorize this insurance until recently.

Councilmember Holman concurred with Councilmember Peloza's comments.

Councilmember Wagner stated he is willing to look at the program in more

depth.

Assistant Director Gaub asked whether the City logo should be used on the marketing materials. Some Councilmembers agreed it was confusing.

Councilmember Wagner suggested including educational materials about what is the resident's responsibility and what is the City's.

Manager Tobin indicated the company's representative is willing to come to the Council to discuss the program.

Some Councilmembers indicated they were willing to not accept the royalties and have the customers rate reduced.

Councilmember Wagner recommended returning to the Council with a draft contract and resolution for Council to review.

B. Pierce County Flood Control Zone District Opportunity Fund Interlocal Agreement (10 Minutes)(Snyder)

Utilities Engineering Manager Tobin and Assistant Director of Engineering Services/City Engineer Gaub presented Resolution No. 5304, authorizing an Interlocal Agreement with the Pierce County Flood Control District.

The District was formed in 2012 to address flood control needs in Pierce County. Property taxes are levied against properties within the District, including a portion of the Lakeland area of Auburn, to fund flood control and stormwater projects conducted by the District.

Ten percent of the tax levies are set aside in an Opportunity Fund to help fund local flood control and stormwater needs in the District. Auburn's proportional share of the Opportunity Fund is approximately one percent, which equates to about \$8,000 per year. Each jurisdiction can allow its share of the fund to accrue. Auburn's current balance is approximately \$32,000.

In order to use its share of the Opportunity Fund, Auburn first needs to execute the standard agreement with the District. Once the agreement is executed, Auburn can either instruct the District to continue to accrue Auburn's funds or submit a project funding request for review and approval by the District. Projects can include stormwater control improvements, studies and plans for watershed and habitat protection, maintenance and operations of existing facilities, purchase of equipment for maintenance and operations, and low impact development.

The resolution will appear before the City Council at its next regular meeting for consideration.

C. State Traffic Signals at AWS and SR-18 (5 Minutes)(Snyder)

Assistant Director of Engineering Services/City Engineer Gaub updated

the Council on the possible transfer of the maintenance responsibility for the State signals at the interchange of SR-18 and Auburn Way South in exchange for allowing the City operational capability at the signals.

Staff are continuing to work with the State on the details of the State's proposal. A significant element of the proposal will be understanding what responsibilities and costs the City would incur as a result of the transfer. There is no new additional information for Council's consideration at this time.

D. Interlocal Agreements with Pacific, Algona and VRFA for IT Services (15 Minutes)
(Haugan)

Assistant Director of Innovation and Technology Riggs presented the Interlocal Agreements for IT services with the cities of Pacific and Algona and the Valley Regional Fire Authority (VRFA).

Assistant Director Riggs stated the City had interlocal agreements with each entity for IT services, but the agreements recently expired. The City is providing services to each on a month-to-month basis. New Interlocal Agreements are proposed that have the same terms, services, and compensation.

V. OTHER DISCUSSION ITEMS

There was no other discussion.

VI. NEW BUSINESS

There was no new business.

VII. MATRIX

A. Matrix

Councilmembers reviewed the matrix and confirmed the following:

- Deputy Mayor Selection Action Date on August 7, 2017
- Public Works Capital Projects on August 14, 2017
- Remove Business Licenses
- Update on Police calls for mental health issues on August 28, 2017
- Block grant parameters on September 11, 2017

VIII. ADJOURNMENT

There being no further discussion, the meeting adjourned at 8:22 p.m.

APPROVED this 17th day of December, 2017.



BOB BAGGETT, DEPUTY MAYOR



Shawn Campbell, City Clerk

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