

AGENDA

**Intergovernmental Affairs Committee Special Meeting
Monday, July 19, 2021 – 4:00 p.m.**

Remote Meeting Online Access: <https://zoom.us/j/94688217373>

Call-in: (253) 215-8782

Meeting ID: 946 8821 7373

Call to Order

Approval of Minutes: March 22, 2021

Discussion Items:

1. Update on 2021 Interim Plan
2. Update on Federal Appropriation Requests

Adjourn

Next Regular Meeting Date: September 27, 2021 at 4:00 p.m.

MINUTES
Intergovernmental Affairs Committee

March 22, 2021 – 4:00 p.m.

Call to Order: Chair Robyn Denson called the meeting to order. Committee members Tracie Markley and Mayor Kuhn were present at roll call with Le Rodenberg excused; City Staff: City Administrator Bob Larson, Police Chief Kelly Busey and Assistant City Clerk Joshua Stecker; Gordon Thomas Honeywell Lobbyists: Dale Learn, Josh Weiss and Annika Vaughn.

Approval of Minutes: The minutes of January 25, 2021 were unanimously approved.

Discussion Items:

1. **Federal Funding Opportunities** – Dale Learn described the process for applying for direct funding at the federal level.
2. **State Legislative Update** – Josh Weiss reported on increased state revenue as compared to 2020 and gave an update on the state budget process and the status of key legislation.

Adjourn: The meeting adjourned at 4:43 p.m.



**City of Gig Harbor
2021 Interim Plan**

TO: Mayor Kuhn and Councilmembers
CC: Bob Larsen, City Administrator
FROM: Josh Weiss & Annika Vaughn
DATE: June 29, 2021
RE: Recommended Interim Activities

Successful lobbying requires year-round efforts. As of the date of this memo, we are planning for the possibility that the legislature will reconvene for a short special session in the fall. This assumption is likely to change and we will need to adapt our plans accordingly.

We have completed the following activities this interim:

May/June

1. Attended monthly AWC virtual Intergovernmental Relations Meetings
2. Distributed 2021 End of Session written report
3. Provided 2021 End of Session presentation to City Council and staff
4. Attended weekly Keep Washington Rolling transportation revenue package meetings
5. Attended virtual AWC conference
6. Monitored Washington State Transportation Commission toll rate setting meetings

To continue to advance the City's legislative priorities, we recommend the following interim action items:

July

1. GTHGA to begin distributing interim reports
2. Continue attending monthly AWC Intergovernmental Relations Meetings
3. Monitor and report on State Economic and Revenue Forecast Council meeting
4. Monitor/attend key legislative task force meetings
 - a. Department of Revenue Tax Structure Work Group
 - b. Legislative GMA reform stakeholder group
5. Monitor/attend other agency processes:
 - c. Department of Ecology Nutrient Permit setting process
 - d. Washington State Transportation Commission toll setting process
6. Monitor AWC/Administrative Office of the Courts (AOC) coordination on the *Blake Decision*

August/September

1. Coordinate with Gig Harbor delegation members re: transportation priorities for special session
 - a. Highway 16 Congestion Relief
2. Meetings/calls with GTHGA, legislative committee, and key staff to establish 2022 legislative priorities
 - a. Capital requests – smaller capital budget this year; modest request advised
 - b. Transportation requests:
 - i. Highway 16 Congestion Relief
 - c. Operating budget requests?
 - d. Policy proposals?
3. Attend City/County Managers Conference – Aug. 10 - 13
4. Continue monitoring AWC legislative priority setting process
5. Schedule calls/meetings with members of the 26th legislative delegation to discuss possible priorities; identify possible legislative champions

October

1. Possible special session
2. Finalize 2022 legislative priorities with Council and City staff
3. Work with City staff on legislative request forms and one-pagers
4. Organize group or individual legislative send-off(s) with members of the 26th legislative district

November

1. Finalize legislative agenda and project one-pagers
2. Finalize legislative sponsors
3. Legislative outreach outside of delegation on priorities, if applicable
4. Attend House and Senate Committee Assembly Days:
 - a. Senate: Nov. 15 – 16
 - b. House: Nov. 18 – 19

December

1. GTHGA to monitor and report to City on pre-filed bills and Governor's budget
2. Develop letters of support for the City's legislative agenda and funding requests, if applicable
3. Begin drafting legislative request forms, if applicable
4. Legislative send-off event(s) with members of the 26th legislative delegation

January 10th – First Day of Session

Items on the Horizon

- Redistricting – potential changes to the 26th legislative district
- Transportation package/special session
- *Blake* Decision – additional funding for cities
- Funding for House Bill 1220 implementation
- Climate change/GMA legislation
- OPMA legislation
- Body cameras
- Other policy priorities?

Engagement

- Continue building relationships with members of the 26th legislative district:
 - Invite legislators to interim IGA meeting?
- Update legislators on use of American Rescue Plan Act funds

Partnerships

- AWC
- Others



City of Gig Harbor Interim Report July 1, 2021

New Law Effective Date: July 25

Bills enacted by the 2021 Legislature will become effective on July 25, 2021 unless otherwise stated in the bill.

OPMA: In-Person Meeting Restrictions Lifted

As of June 30, the Governor has rescinded restrictions on in-person public meetings under the “Miscellaneous Venues” COVID-19 guidance. Public agencies may now host in-person public meetings with no restrictions on capacity and no physical distancing requirements. Current masking guidance must be followed, meaning unvaccinated individuals must continue to wear masks. The updated guidance is not a requirement to host in-person public meetings; public agencies choosing not to host in-person public meetings may continue to do so virtually. However, all public agencies must continue to provide virtual access to the meeting, consistent with the Governor’s [Proclamation 20-28](#) regarding the Open Public Meetings Act, which remains in effect.

Referendums & Court Challenges from the 2021 Legislature

The Legislature took bold action on several controversial items, many of which are now being challenged via referendum or court challenges.

Referendum measures call on voters to approve or reject bills enacted by the Legislature. In order to be included on the November ballot, each referendum must collect 162,258 valid signatures by July 24, 2021.

- Capital Gains Tax – The Legislature imposed a 7% capital gains tax, structured as an excise tax on the sale of any capital asset over \$250,000. Two lawsuits have been filed to challenge the tax – one filed by the Freedom Foundation, and a second filed by Former Attorney General and gubernatorial candidate Rob McKenna on behalf of a group of aggrieved taxpayers. The cases will likely be combined. Current Attorney General Bob Ferguson will defend the tax. He has asked the court to dismiss the two challenges on the basis that the tax is not effective until 2022 and, therefore, the plaintiffs have not yet paid the tax and lack standing to bring the case forward. Both cases have been filed in Douglas County Superior Court. Ferguson has requested that they be moved to Thurston County Superior Court. Because the bill enacting the tax has an emergency clause on it, it cannot be challenged through a referendum.
- Low Carbon Fuel Standard/Cap and Invest: Tim Eyman has filed two referenda - one repealing portions of the bill establishing the low carbon fuel standard (R-94), and the other, repealing portions of the bill establishing the cap and invest program (R-95).

Transportation Revenue Package Discussions

Legislators continue to discuss the possibility of meeting in a special session later this year to adopt a transportation revenue package. House and Senate Democrat Leadership have indicated that they will begin negotiating an agreement on a transportation revenue package throughout the summer months. Details about what these negotiations will look like remain unclear.

June State Revenue Forecast Update

On June 23, the state Economic and Revenue Forecast Council provided a quarterly update on the state revenue forecast. State economic recovery remains strong: the state is projected to receive over \$2.2 billion in additional revenues over the remainder of the 2019-21 biennium (ending June 30) and through the 2021-23 biennium (beginning July 1). Sales, B&O, and utility tax collections remain much higher than anticipated while REET collections continue to increase.

For the current biennium (2019-21), the state is estimated to receive \$807.7 million more than projected at the last quarterly update in March. This increase accounts for a \$2 million reduction in projected revenues due to the cost of new legislation implemented in the 2021 session, including the Working Families Tax Credit. For the next biennium (2021-23), the state is projected to receive an additional \$1.239 billion, and an additional \$1.2 billion in the 2023-25 biennium. Revenues are expected to grow 15.4% between the 2017-19 and 2019-21 biennia and 9.9% between the 2019-21 and 2021-23 biennia. Forecasted general fund revenue now total:

- 2019-21 biennium: \$50.848 billion
- 2021-23 biennium: \$55.611 billion
- 2023-25 biennium: \$58.979 billion

You can access the [meeting materials here](#); the meeting may be [viewed here](#).

2021 Redistricting and Local Redistricting Deadlines

Redistricting occurs every ten years and is the process of adjusting the boundary lines of each congressional and legislative district to ensure that an equal number of people are in each district. Typically, once the U.S. Census is complete, the Redistricting Commission will be appointed. However, due to the impacts of COVID-19, the release of data has been delayed several months, and the U.S. Census Bureau [announced](#) it will deliver redistricting data to all states by mid to late August 2021.

The Redistricting Commission has been meeting since February 2021. In preparation for the release of the data, the Commission has been conducting public outreach meetings to solicit input from Washingtonians around the state. There are five members of the Commission, four are appointed by the two major caucuses in the House and Senate. The fifth member is a non-partisan, non-voting Chair who is selected by the four appointed commissioners.

The current members of the Commission include:

- Sarah Augustine, Chair

- Joe Fain, Senate Republican Caucus Appointee
- Paul Graves, House Republican Caucus Appointee
- April Sims, House Democratic Caucus Appointee
- Brady Walkinshaw, Senate Democratic Caucus Appointee

With the anticipation of the preliminary U.S. Census data on August 16, Commissioners will use the six-week period (August 16 to September 30) to create their first preliminary district maps. The public will be able to comment on these maps between October 1 and October 15. During that 15-day period, the Commission could use this time to hold face-to-face meetings if permitted and desired. Lastly, the negotiation period would take place between October 15 and November 15.

The district maps must be approved by three of the four voting Commission members. If an agreement cannot be reached, the Washington State Supreme Court will instead develop new district maps. The district maps become final within 30 days after the beginning of the next special or regular legislative session. The Legislature may only make changes that affect no more than 2% of a district's population and are approved by two-thirds of the members of each legislative chamber. For more information on the Redistricting Commission and their progress, click [here](#).

AWC Legislative Agenda Development

AWC has started its legislative agenda-setting process and is actively seeking feedback from cities on potential legislative agenda items. The AWC Legislative Priorities Committee will work to develop the priorities throughout the interim months. Below are some of the issues likely to carry over from the 2021 Legislative Session to the 2022 Legislative Session.

Open Public Meetings Act:

- Last session, the Legislature considered two pieces of legislation that would have made changes to the Open Public Meetings Act. The first, [HB 1056](#), would have allowed public agencies to hold virtual meetings during city or state declared emergencies (e.g. snow storm). It would also give cities more predictability, rather than waiting from month-to-month on whether the OPMA would be extended, as occurred through the pandemic. The second, [HB 1329](#), would require public agencies to accept virtual public comment. Both bills will likely be considered in the 2022 legislative session, and very nearly passed in the 2021 session. The links to the bills are to the most recent versions that reflect several amendments that occurred throughout the 2021 session.

Body Worn Cameras:

- With many law enforcement agencies are acquiring body worn cameras, prompting the need for funding for retaining, storing, and redacting of police body camera footage.

Growth Management Act:

- The Legislature approved [House Bill 1220](#) in the 2021 session, which, if funded, requires cities to update the Housing Element of their comp plan. Funding for

cities to implement this provision is likely to be discussed during the 2022 session.

Police Reform Bills:

- There are three bills that did not pass in 2021 that are likely to be revisited in 2022:
 - o House Bill 1202, creating a state civil cause of action for police misconduct
 - o House Bill 1203, requiring community oversight boards of law enforcement agencies
 - o House Bill 1507, authorizing independent prosecutions

Firearm Preemption:

- [Senate Bill 5038](#) passed in 2021, making it unlawful for someone to knowingly and openly carry a firearm or other weapon at any permitted demonstration. The bill defines “public place” as any site accessible to the general public, including public buildings, grounds and surrounding areas and any public parking lot or any location of a legislative meeting. The bill’s sponsor, Sen. Patty Kuderer, wants input from cities and plans to refine this language to allow cities to enact an ordinance banning firearms within 250 ft of public meetings or a permitted demonstration, for more local control.

Blake Impacts:

- AWC is going to ask cities to track data and costs related to the implementation of [SB 5476](#) to help inform a funding request for 2022.

Washington State Transportation Commission (WSTC) Update on Toll Increases

The WSTC is responsible for adjusting ferry fares and toll rates as needed in response to changes in the biennial transportation budgets adopted by the Legislature. The Commission has begun its fare and toll setting process for the 2021-23 biennium and provided an update on both processes on June 15. The meeting can be [viewed virtually here](#); the tolling presentation [may be found here](#).

Update on 2021-23 Toll Rate Setting

On May 11, the WSTC proposed preliminary toll rate changes for the SR-99 tunnel, SR 520 floating bridge, and the SR 16 Tacoma Narrows Bridge. Toll rates are adjusted annually as needed to ensure revenues are sufficient to cover state bond obligations, generally in response to changes in projected revenue collections. Toll revenues continue to be significantly reduced due to changes in travel associated with the COVID-19 pandemic; as a result, the Commission is recommending increases to toll rates for each facility. For SR-99 and SR-520, WSTC has proposed two different toll rate increase options for the Commission and the public to consider.

For the Tacoma Narrows Bridge, only one option has been presented. Alternatives are outlined below:

SR-99 Tunnel

SR-520 Bridge

SR-16 Tacoma Narrows Bridge

<p><i>Option A</i></p>	<p>Uniform 15% toll increase on October 1, 2021.</p> <ul style="list-style-type: none"> Results in rate increases ranging from 15 to 35 cents. 	<p>“Tailored” increase by time period, averaging 15% overall on July 1, 2023.</p> <ul style="list-style-type: none"> Round trip toll increase of under \$9 on weekdays. Expands afternoon and peak periods by one hour. No increase in minimum toll; maximum toll increase 5% Higher mid-day and evening toll increases. 	<p>Uniform 25 cent increase on October 1, 2021.</p> <table border="1" data-bbox="1040 373 1502 703"> <thead> <tr> <th></th> <th>Good to Go Pass</th> <th>Cash Tolls</th> <th>Pay by Mail</th> </tr> </thead> <tbody> <tr> <td>Current rate</td> <td>\$5.00</td> <td>\$6.00</td> <td>\$7.00</td> </tr> <tr> <td>Proposed Rate</td> <td>\$5.25</td> <td>\$6.25</td> <td>\$7.25</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Good to Go Pay by Plate options pay an additional 25 cents over Good to Go Pass rates - \$5.50. 		Good to Go Pass	Cash Tolls	Pay by Mail	Current rate	\$5.00	\$6.00	\$7.00	Proposed Rate	\$5.25	\$6.25	\$7.25
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Current rate	\$5.00	\$6.00	\$7.00												
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<p><i>Option B</i></p>	<p>Uniform 25 cent increase on October 1, 2021.</p> <ul style="list-style-type: none"> Percentage rate increase would vary by time of day, averaging 16% increase on weekdays. 	<p>Uniform increase of 15% on July 1, 2023.</p> <ul style="list-style-type: none"> Round trip toll increase of about \$10 on weekdays. Retains the current variable toll schedule. Maximum toll remains under \$5. 	<p>No proposed alternative.</p>												
<p><i>Detail</i></p>	<ul style="list-style-type: none"> Both options assume a planned 3% increase on July 1, 2022 (FY 2023) will be maintained. Both proposed options shore up revenues through FY 2025; after that, additional increases will be necessary to pay 	<ul style="list-style-type: none"> Weekend toll increases are similar between Options A and B. ARPA funds cover maintenance and operations costs, pushing out rate increases to FY 2023 and 2024. Despite infusion of ARPA dollars, funding 	<ul style="list-style-type: none"> Legislature provided \$46 million towards the TNB: <ul style="list-style-type: none"> \$15.7 million of ARPA funding for COVID-19 revenue loss Additional \$30.3 million loan to be repaid in FY 31-32 Increased funding need due to COVID-19 revenue loss – total estimated loan exceeds \$85 million even with 25 cent 												

<p>Motor Vehicle Account (MVA) loans.</p> <ul style="list-style-type: none"> Both proposed options include an additional \$19 million in MVA loans in the 2019-21 biennium with a deferred repayment schedule. 	<p>gap remains to meet financial obligations.</p> <ul style="list-style-type: none"> WSDOT, WSTC, and the Treasurer’s Office are analyzing the impacts of imposing slightly lower toll increase options – traffic and revenue performance will be monitored before the planned increase in 2023. 	<p>increase, though gap will shrink as recovery continues.</p> <ul style="list-style-type: none"> Increase meets legislative intent to limit toll increases to 25 cents & limit loans over the life of the bond repayment to \$85 million until FY 2030. Proposed increase schedule has been shared with the Tacoma Narrows Bridge Citizen Advisory Committee.
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WSDOT and the Treasurer’s Office are confirming the viability of each option through an analytical process. Results will be provided to WSTC by mid-July.

At the meeting, the WTSC approved these alternatives for further consideration; rate selection will occur at the July 20 meeting to be put forward for formal public comment.

The 2021 rate schedule is as follows:

- June 15 WSTC Meeting: Identify options and approaches for public input.
- Late June through July 14: Online public input forum launches; input is collected through July 14.
- July 20 WSTC Meeting: Select proposed rates (file CR-102 on July 21).
- Late-July through mid-August: Formal public comment period on CR-102 rate proposal.
- On or after August 24: Public hearing and adoption for permanent toll rate proposals (file CR-103P).
- October 1:
 - SR-520 – Adjustment financial plan takes effect.
 - SR-99 and Tacoma Narrows Bridge: Final toll rates take effect.