

**WASHINGTON STATE BOUNDARY REVIEW BOARD
FOR KING COUNTY**

REGULAR MEETING MINUTES

May 14, 2009

Bellevue, Washington

I CALL TO ORDER

Claudia Hirschey, Chair, convened the meeting at 7:00 P.M.

II ROLL CALL

The following members were present:

Sylvia Bushnell

A.J. Culver

Lynn Guttman

Roger Loschen

Robert Cook

Robert George

John Holman

III MINUTES

A. REGULAR MEETING

Chair Hirschey presented the minutes of the Regular Meeting of April 16, 2009 for review and action by the Board members.

Action: Roger Loschen moved and Robert George seconded the motion to adopt the minutes for the Regular Meeting of April 16, 2009. The Board members voted seven in favor of approval of this record. Lynn Guttman abstained as she did not attend the meeting of April 16, 2009.

IV. ORIENTATION PROGRAM – ALICE OSTDIEK FOSTER PEPPER MUNICIPAL BONDS

Alice Ostdiek, attorney for Foster Pepper, spoke to the Board about: (1) Bond Basics for Washington Local Governments and (2) Property Taxes, Levies, and Lid Lifts.

With respect to Bond Basic, Ms. Ostdiek addressed: (1) State & Municipal Laws; (2) Federal Tax Issues; (3) Financing Structures; (4) Participants in Financing; (5) Planning & Implementing Financing.

Speaking of Property Taxes, Levies and Life Lifts, Ms. Ostdiek addressed: excess levies, regular levies, rate limitations, and amount limitations. She responded to questions and provided information concerning. But not limited to, the following matters:

- Current and future market economies,
- Property values and taxation rates;
- Devolution of government services, junior taxing districts;
- Funding allocations;
- Options and regulatory authorities for bonds;
- Disclosures;
- Insurance markets and municipal bonds
- Regulation of derivatives and municipal bonds
- Hedges and swaps; reserve funds
- Municipal bond ratings;
- Recovery Act and Economy Zone Recovery Bonds.

V. ADMINISTRATION

A. CHAIR'S REPORT

General Business: Claudia Hirschey reported that the Board staff is currently working on several projects including: (1) coordinating programs with King County Executive/Council Work Program; (2) coordinating activities with the State Association for Legislature 2009; (3) pre-development review for future Notices of Intention; (4) administration of the Year 2009 Budget Proposal; (5) preparing 2010 Budget Proposal; and (6) planning of Orientation Program for 2009.

Boundary Review Board Information Packets: Board members and staff have expressed an interest in reviewing the form and function of the Information Packet that is provided monthly in conjunction with Regular Meetings of the Board. Review of this product prudent in order to streamline processes and achieve budgetary efficiencies.

To that end, the Board staff would be pleased to continue to provide a complete packet of information to each member. The Board would, then, receive precisely the information that is required to be transmitted to other County offices, as well as state, regional and local jurisdictions.

However, the Board also has the option – if preferred – to receive a packet with more limited information. More specifically, for Notices of Intention that are not planned for public hearings, the Board members may find it sufficient to receive the File Summary and key maps, rather than the entire Notice of Intention.

Chair Hirschey requested comment from the Board members. Members offered a range of options for consideration, including:

- maintaining the current communications system
- providing more limited paper information
- providing information via a pdf mailing
- providing information via a compact disc
- providing information via the Board web site.

Chair Hirschey will refer the matter to the Boundary Review Board Steering Committee for consideration.

Orientation 2009: Chair Hirschey reported that Board members have suggested the following topics for orientation sessions to address the assignment of various public lands and private lands following annexation, including highways and streets, surface water systems, parks, trails, open spaces, and lands owned by a different municipality.

Chair Hirschey will make specific plans for a presentation for a Regular Meeting later in 2009.

Washington State Association of Boundary Review Boards:

State Association Spring Workshop: Claudia Hirschey stated that the Spring Training Workshop was reportedly well-attended and an interesting event.

She invited comments by members and the following remarks were provided:

- The Workshop was well-attended by members from various boards.
- Staff provided strong basic background information on board roles and responsibilities
- Robert Kaufman provided excellent information concerning various legal matters pertaining to board function. He spoke extensively about "appearance of fairness" at public hearings. Of particular note was Mr. Kaufman's recommendation that board

members participate actively (providing questions and comments) in deliberations for public hearings in order to provide the public with confidence in the board's interest in and commitment to the public hearing process.

- John Holman provided a very interesting presentation on tools for preparation by board members for public hearings.

Board members expressed appreciation to staff for the planning of the Spring Workshop.

Legislature 2009: Lenora Blauman reported that the Legislature passed the following bills of interest to the Boundary Review Board.

SSB 5433 which authorizes counties, until January 1, 2015, to partially supplant existing funds for the county public safety sales and use tax and the mental health/chemical dependency sales and use tax. This bill also authorizes King county to impose an additional property tax. The bill reduces the ferry district property tax rate in King county. The bill further, authorizes certain public transportation systems to seek voter approval for an annual congestion reduction tax.

The bill has several components that facilitate city annexations, including opportunities for cities and the County to assess and use taxes. Tax benefits could include, but need not be limited to: public safety sales tax, local sales tax, utility taxes, REET funds. Some taxes would sunset in three years. However, if annexations are not completed in a timely manner, the County would realize tax benefits to support continuing services.

SB 5321-S.E: This bill extends a local sales and use tax that is credited against the state sales and use tax. The sales tax credit is extended for cities annexing qualifying until 2015. The requirement that a city have a population less than 400,000 in order to impose the sales and use tax is eliminated. The rate of 0.85 percent is allowed for any city that has designated an area as a potential annexation area (PAA) if a city with a population greater than 400,000 has also designated the area as a PAA. In this case the maximum credit in a year must not exceed \$5 million. A city that has commenced annexation of enough areas prior to 2010, which would have allowed them to exceed the 0.2 percent limit, may receive an additional 0.1 percent sales tax credit beginning July 1, 2011. Bellevue, may qualify for a sales tax credit of 0.1 percent if it annexes an area of over 4,000 persons.

If at the time of annexation, a house banked card room exists in the annexed area, the annexing city must allow the house banked card room to continue operations even if it has an ordinance that does not allow for such a business.

SB 5808 SE proposes to enable cities and special purpose districts to annex land by interlocal agreements. The bill addresses the annexation of unincorporated areas served by fire protection districts. Requires notification to employees of a fire protection district about hires, separations, terminations, and any other changes in employment that are a direct consequence of the proposed annexation or incorporation of any portion of the fire protection district. These annexations are subject to review before the Boundary Review Board.

B. Committee Reports

Budget Committee: AJ Culver and Lenora Blauman reported that the Boundary Review Board has received final instructions for submitting a Budget Proposal for 2010.

The complete and final Budget Proposal will be due to the County on June 1, 2009. A Draft Final Budget Proposal was provided to – and approved by – the Board's Budget Committee on May 14, 2009.

At present, the Board is proposed for a 2010 budget that is equivalent to our budget for 2009. In the event that the County mandates a global reduction in budgets, the Board may be called upon to accept reduced funding for 2010.

The County Council will review the Budget Proposal through the summer and fall. A decision will be made in November of 2009 concerning the final 2010 Budget.

C. Executive Secretary's Report

Boundary Review Board Meeting Schedule: The Board will be conducting meetings and several public hearings from May – July 2009, as follows:

May 26:	Public hearings for the proposed Fairwood Incorporation.
May 27:	Public hearings for the proposed Fairwood Incorporation.
May 28:	Public hearings for the proposed Fairwood Incorporation.
June 8:	Public hearing for City of Kirkland Finn Hill, North Juanita, Kingsgate Annexation
June 10:	Public hearing for City of Kirkland Finn Hill, North Juanita, Kingsgate Annexation (If Required)
June 11:	Regular Meeting (Move to June 17)
June 17:	Regular Board Meeting (Rescheduled)
July 9:	Regular Board Meeting

Records Archive Project: Mrs. Blauman expressed her appreciation to Mr. Holmes who has obtained State of Washington grant monies to enable the County to archive historic Boundary Review Board files. Mr. Holmes provided invaluable oversight and managed the funding for this project. The project is now successfully completed. Mr. Holmes provided exemplary coordination of this project.

City of Sammamish: The City of Sammamish has advised that two annexations (i.e., Aldarra, Montaine, Rosemont) are being finalized with the intention to submit a Notice of Intention to the Board early in 2009.

City of Kirkland: The City of Kirkland has advised that the Bridle Trails annexation is being finalized with the intention to submit a Notice of Intention to the Board in Spring 2009.

City of North Bend: The City of North Bend has advised that a major annexation - Wood River – is under consideration for submittal of a Notice of Intention to the Board in late 2009 or early 2010.

City of Maple Valley: The City of Maple Valley is reportedly is completing a new Notice of Intention for annexation of the Maple Ridge Highlands Area.

City of Redmond: The City of Redmond is reportedly is continuing to work with citizens to undertake a new Notice of Intention for annexation of the NE Rose Hill Area. Several other smaller annexations are under consideration as well.

D. CORRESPONDENCE

General correspondence was presented by Chair Hirschey. Ms. Hirschey invited comment related to this correspondence.

No comments were offered by members.

VI. NEW BUSINESS

A. NEW FILES

File No. 2294 – City of Renton: Honey Creek Estates Annexation Area

The City of Renton proposes the annexation of approximately 18 acres, known as the Honey Creek Estates Area. As prescribed by RCW 35A.14, the Honey Creek Estates annexation is proposed under the "island" annexation method, based upon a Resolution by the Renton City Council (dated March, 2009) approving a plan to incorporate this territory.

