



# Meeting Agenda

## General Government Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8447

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Wednesday, November 18, 2015

4:30 PM

Room 207

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1. ROLL CALL

2. CALL TO ORDER

3. APPROVAL OF MINUTES

- 3.A [15-1073](#) Approval of October 21, 2015 General Government Committee Meeting Minutes

Attachments: [Minutes](#)

4. COMMITTEE BUSINESS

- 4.A [15-1124](#) Interview of City Council Retreat Facilitators

Attachments: [Diane Altman Dautoff, EdD](#)

- 4.B [15-1088](#) Land Use Public Notice Update

- 4.C [15-1103](#) Briefing on Transportation Network Companies

Attachments: [Vancouver TNC Ordinance](#)  
[Bellingham TNC Ordinance](#)

- 4.D [15-1043](#) Discussion of Council Salaries

Attachments: [City Council Salary Survey Results](#)

- 4.E [15-1104](#) Discussion of Medical, Dental and Vision Benefit Options and Department of Retirement Systems Rules for Local Officials

5. ADJOURNMENT

*The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council Committee meeting, please contact the Council's Secretary at 360.753-8244 at least 48 hours in advance of the meeting. For hearing impaired, please contact us by dialing the Washington State Relay Service at 7-1-1 or 1.800.833.6384.*



City Hall  
601 4th Avenue E.  
Olympia, WA 98501  
360-753-8447

**General Government Committee**  
**Approval of October 21, 2015 General  
Government Committee Meeting Minutes**

**Agenda Date:** 11/18/2015  
**Agenda Item Number:** 3.A  
**File Number:** 15-1073

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**Type:** minutes **Version:** 1 **Status:** In Committee

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**Title**

Approval of October 21, 2015 General Government Committee Meeting Minutes



# Meeting Minutes - Draft

## General Government Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8447

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**Wednesday, October 21, 2015**

**4:30 PM**

**Room 207**

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**1. ROLL CALL**

**Present:** 3 - Chair Jeannine Roe, Committee member Julie Hankins and Committee member Cheryl Selby

**2. CALL TO ORDER**

Chair Roe called the meeting to order at 4:34 p.m.

**3. APPROVAL OF MINUTES**

- 3.A** [15-0919](#) Approval of September 16, 2015 General Government Committee Meeting Minutes

**The minutes were approved.**

**4. COMMITTEE BUSINESS**

- 4.A** [15-0902](#) Traffic Box Wrap Downtown Map and Olympia Walk Map Update

Parks Program Manager Stephanie Johnson and Public Works Senior Program Specialist Michelle Swanson presented walking maps designed to be wrapped around traffic boxes in downtown Olympia. Ms. Swanson discussed key decisions and design choices for the maps. Councilmembers shared feedback and asked clarifying questions. Committee Chair Roe thanked the group for their work on the project.

**The information was provided.**

- 4.B** [15-0971](#) Discussion of Opportunities for the Program Year 2016 Community Development Block Grant Program

Community Planning and Development Program Manager Anna Schlecht gave an overview of the Community Development Block Grant (CDBG) Program and discussed opportunities to invest Program funds during the next program year. She reviewed the history of the CDBG program and shared current program year activities. She shared several potential economic opportunities for CDBG funds. Committee members asked clarifying questions. Committee Chair Roe requested the topic be brought back with additional information for the General Government Committee.

**The discussion was completed.**

- 4.C** [15-1006](#) Preparations for the 2016 City Council Retreat

City Manager Steve Hall discussed potential agenda items for the 2016 City Council Retreat. The Committee members reviewed a list of potential facilitators and asked several to be invited to a future Committee meeting for interviews.

**The discussion was completed.**

**4.D**     [15-1001](#)            Discussion of Advisory Committee Recruitment and Advisory Committee Training Needs

Strategic Communications Director Kellie Braseth discussed the Advisory Committee cycle and recruitment process for filling vacancies. Committee members asked clarifying questions. The Committee decided a survey of the Advisory Committees should take place to determine possible training needs.

**The discussion was completed.**

**4.E**     [15-0967](#)            Report on the Ambassador Program 3-5 Year Plan

Ambassador Program Manager Sharon Holley presented the draft Ambassador Program 3-5 Year Plan. She discussed the scope of the Ambassador's work, staffing, and current programs. Ms. Holley also shared future goals and funding requests to carry out those goals. Committee members asked clarifying questions.

**The report was received.**

**5.        ADJOURNMENT**

Chair Roe adjourned the meeting at 6:45 p.m.



## General Government Committee

### Interview of City Council Retreat Facilitators

**Agenda Date:** 11/18/2015  
**Agenda Item Number:** 4.A  
**File Number:** 15-1124

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**Type:** information **Version:** 1 **Status:** In Committee

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**Title**

Interview of City Council Retreat Facilitators

**Recommended Action**

Interview to prospective facilitators for the City Council's January 2016 retreat

**Report**

**Issue:**

The General Government Committee is considering two prospective retreat facilitators for the Council

**Staff Contact:**

Steve Hall, City Manager, Executive, 360-753-8370

**Presenter(s):**

Steve Hall, City Manager

Paula Dillard, President and Principal Consultant, Ascent Partners

Diane Altman Dautoff, Associate Consultant, Center for Ethical Leadership

**Background and Analysis:**

Two well-regarded consultants have been invited to be interviewed by the members of the General Government for consideration as possible facilitators of the Olympia City Council's January 2016 retreat.

Paula Dillard is the president and principal consultant for Ascent Partners.

Diane Altman Dautoff is an associate consultant for the Center for Ethical Leadership

**Neighborhood/Community Interests (if known):**

N/A

**Financial Impact:**

N/A

## DIANE ALTMAN DAUTOFF

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1512 37th Avenue  
Seattle, WA 98122

206-320-1169  
diane@dadconsult.net

A seasoned consultant with more than 20 years of expertise. Eighteen years of management experience including all aspects of staff and program management and oversight. Skilled in process improvement, project management, strategic planning, and team building (community-based and within organizations). Extensive knowledge and application in the areas of leadership development, needs assessment, facilitation and training. Proven ability to bring people together, drawing on strong communication and analytical skills to move effectively from concept to tactical planning and successful implementation.

### CORE CAPABILITIES

- ❖ *Facilitation*: designing and leading large and small group processes that result in successful decision making by participants.
- ❖ *Strategic planning*: facilitating organizational adoption of vision, mission, and strategic goals, assessing the environment, analyzing feasibility of strategic options and assessing implementation
- ❖ *Training*: presenting information on organization change, team building, project management and leadership development in both academic and organizational/client-specific settings.
- ❖ *Team leadership*: developing individual and team-based skills, clarifying roles and responsibilities, and fostering communication, decision-making and collaborative consensus building
- ❖ *Project Management*: organizing and leading small and large projects to completion on time, on track, on budget and within agreed upon scope.
- ❖ *Quality improvement*: designing and implementing quality improvement projects including team leadership development, facilitation of QI training.

### KEY CONSULTING ENGAGEMENTS

- ❖ Facilitator of various organizational staff and Board retreats for nonprofits, local government, and healthcare organizations
- ❖ Strategic Planning projects with nonprofit organizations including a project with a nine branch county library system, which included public meetings with community, key stakeholder, staff, and board participation
- ❖ Designed and managed more than 20 large-scale process-focused meetings around the United States, varying in size from 300 to 3,000 participants
- ❖ Consultant for organizational assessment, analysis, and development of integration recommendations regarding best practices of parallel departments within statewide non-profit health maintenance organization.

## Professional Experience

- ❖ *Diane Altman Dautoff Consulting*      2014-present      Owner
- ❖ *Qualis Health*      2012- 2014      Senior Consultant
- ❖ *Diane Altman Dautoff Consulting*      2011-2012      Owner
- ❖ *MCCP Healthcare Consulting*      2005-2010      Managing Consultant
- ❖ *Diane Altman Dautoff Consulting*      1999 – 2006      Owner
  
- ❖ *Group Health Cooperative*      1983 – 1998
  - 1996-1998      Manager,  
Complex Complaints & Appeals
  - 1994-1996      Regional  
Coordinator, Clinical Quality  
Integration
  - 1988-1993      Clinical  
Director, Hospice Program
  - 1986-1988      Administrative  
Analyst for East Region Vice  
President
  - 1983-1988      Manager, Social Work  
Department, Eastside Hospital

## EDUCATIONAL EXPERIENCE/PROFESSIONAL AFFILIATIONS

- ❖ *Doctor of Education (EdD)*      Pepperdine University
- ❖ *Master of Social Work*      University of Washington
- ❖ *Bachelor of Science*      University of Washington
- ❖ *Senior Consultant*      Community Consulting Partnership
- ❖ *Member, Chair*      Leadership Tomorrow Alumni Committee



## General Government Committee

### Land Use Public Notice Update

**Agenda Date:** 11/18/2015  
**Agenda Item Number:** 4.B  
**File Number:** 15-1088

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**Type:** information **Version:** 1 **Status:** In Committee

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#### **Title**

Land Use Public Notice Update

#### **Recommended Action**

#### **City Manager Recommendation:**

Receive the update on public notice of land use actions. Briefing only; no action requested

#### **Report**

##### **Issue:**

How can public notice of land use applications better identify and include members of the public who are potentially interested parties?

#### **Staff Contact:**

Leonard Bauer, Deputy Director, Community Planning and Development (CPD), 360.753.8206

#### **Presenter:**

Leonard Bauer, Deputy Director

#### **Background and Analysis:**

As part of the City Council's goal for more proactive community development, Community Planning and Development (CPD) has implemented a number of improvements over the past three years to provide information to the public about applications for private development projects. As previously reported to the Land Use and Environment Committee, a few examples include:

1. Expanding the list of nearby property owners receiving notice beyond the state-mandated 300 feet from the site, in some cases to include whole subdivisions and more natural boundaries;
2. Conducting a neighborhood meeting for all major applications, with notification to the neighborhood associations and property owners in the area, as well as other interested parties that have identified themselves.
3. Continuing to compile an 'interested parties' list throughout the City's review process for each application, adding each person who inquires about that project so they receive all notices after that inquiry.

To continue to improve in this area, staff from CPD and Public Works met in June to brainstorm additional potential improvements to public notice procedures. The overall goal of these



improvement ideas is to best identify potentially interested parties and provide them notice as early as possible about applications for private development projects in Olympia.

At this meeting, staff will present these ideas and report on progress implementing them.

**Neighborhood/Community Interests (if known):**

This item will be of interest community-wide, as it is specifically intended to improve the opportunities for people throughout the community to receive notice of potential land use actions.

**Options:**

None. This is an oral report.

**Financial Impact:**

The report will include information on City resources needed to carry out the public notice improvements.



## General Government Committee

### Briefing on Transportation Network Companies

**Agenda Date:** 11/18/2015  
**Agenda Item Number:** 4.C  
**File Number:** 15-1103

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**Type:** decision **Version:** 1 **Status:** In Committee

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#### **Title**

Briefing on Transportation Network Companies

#### **Recommended Action**

Move to allow staff to work with regional partners on ordinance changes to allow Transportation Network Companies to operate in Olympia. Once completed, forward proposed ordinance changes to Council for discussion/action.

#### **Report**

##### **Issue:**

Whether or not to allow Transportation Network Companies (Uber, Lyft) to operate in Olympia. What changes are needed to existing City ordinances to allow Transportation Network Companies to operate in the City of Olympia?

#### **Staff Contact:**

Jay Burney, Assistant City Manager, (360) 753-8740

#### **Presenter(s):**

Jay Burney, Assistant City Manager, (360) 753-8740

#### **Background and Analysis:**

Uber, Lyft and Sidecar are Transportation Network Companies (TNC) that use a smart phone application to connect drivers and riders within an online marketplace. The marketplace then manages the scheduling, rates, fare calculation and pricing, payment, customer communication, rider and driver ratings, and the actual connecting of drivers with riders.

The latest available statistics indicate Uber is making over 2 million rides daily, with about half occurring in China alone. In larger communities in the U.S., they are heavily used as a transportation alternative, referred to as "ridesourcing." The peak hours for Uber are midnight to 2 a.m. when people are seeking rides home as the bars close. Uber is not authorized to initiate service in Thurston County, although Uber vehicles might occasionally be in the County as a result of originating from cities where they are licensed to operate.

Uber has requested approval to operate in Thurston County, specifically in Olympia, Lacey,

Tumwater and Yelm. Local organizations and businesses, particularly those related to tourism have supported TNC expansion into the area. When Uber arrives, other TNCs typically follow.

While TNCs could operate under the existing taxi regulations, Uber has stated they need a faster review process for drivers and want to do their own background checks. They estimate that 40-50 drivers would operate in north County with 10-15 new drivers per week. Uber drivers are frequently college students and retirees whose hours fluctuate considerably. Drivers set their own times ranging from full-time to part-time. As a result, there is a high turnover of drivers and high frequency of new drivers entering the system.

Security and customer service in the TNC system are ensured two ways; traditional background checks by Uber and by social reviews. Uber conducts background checks by means of a third party company. It is generally considered a more comprehensive review than the reviews done by local government through the NCIC system. Uber also has each vehicle inspected by a third party mechanic and requires insurance from the drivers. Because the Uber system does not have drivers and riders directly exchanging money, there is less risk associated with cash management. Riders know the cost of a trip at the start and can manage it during the ride via their smart phone.

Taxi regulation by communities derives from the police power to protect the public from unsafe drivers and also consumer protection to avoid getting charged unfairly. In larger communities, taxis are heavily regulated, even more than in Thurston County. Three years ago, the four major cities in Thurston County agreed to a shared taxi regulatory system where a driver would obtain an occupational license in any of the four communities and the license would apply in all four cities (Olympia, Lacey, Tumwater and Yelm). The city issuing that occupational license would keep the revenue to cover costs. Applicants would also be required to have a business license in each community where they intend to do business. The occupational permit review by any of the cities uses the less comprehensive NCIC system and does not include a review of the vehicle, proof of insurance, or management of fares. Current staff in the three largest cities do not recall receiving complaints about taxi service.

The other source of security and customer service management in TNCs is the online social review. That same system underlies online retail companies like eBay and Amazon or service companies like Yelp, TripAdvisor, and Open Table. Drivers and riders are required to publically post an online review of the other. Successful drivers and riders carefully manage their online ratings. Uber will supervise driver ratings to ensure they only drive if they meet minimum rating requirements. Taxi companies are slowly coming around to using similar technology approaches to remain competitive. In larger communities, there is significant political pressure from the taxi industry to keep the TNCs out in order to minimize competition. That is becoming a difficult argument to sustain as the popularity of TNCs mount.

Two similar communities have been working with proposed regulations; Vancouver, Washington and Bellingham, Washington. They use the same approach to TNCs except that in Vancouver, they required the taxis to convert to the new licensing and regulatory system. In Bellingham, they created

dual systems, allowing taxis to keep their existing system and the TNCs use the new one. Copies of their newly adopted ordinances are attached.

In those two cities, a TNC company and all drivers would be required to have business licenses in the cities where they are doing business. A TNC would also have to obtain a TNC license based on compliance with the City regulations. Drivers authorized under that TNC license would have to be 21, have a valid driver's license, proof of vehicle registration, and proof of insurance. Drivers would not have their own business license. The TNC would report and pay all B & O taxes. The TNC would maintain the records of the drivers and be responsible for conducting background checks as prescribed by the city. TNC vehicles are also required to meet safety standards by a certified mechanic, including the foot brakes, steering, windows, lights, speedometer, and other important systems. Under both the Bellingham and Vancouver models, the City biannually audits the TNC driver records to ensure that at least a sample of the drivers are in compliance. Penalties are in place in both models for drivers found to be in non-compliance.

The regulations also create procedures for how the smart phone application will work, the data that needs to be available to riders, a prohibition on street hails, and provision of zero tolerance policy on drugs and alcohol for drivers.

The Cities of Lacey, Olympia, Tumwater and Yelm could either follow the Bellingham model or the Vancouver model, depending on the desire to convert the taxis. Regardless of which option, the Cities could also continue to collaborate on a shared licensing program.

### Observations

- 1) Technology has created a new method to arrange transportation, ridesourcing, which creates travel options for people to reduce car ownership and improve accessibility. The technology creates some problems (universal access, dynamic pricing which fluctuates with supply/demand) and solves others (customer service reviews, expense documentation, location tracking, cashless transactions, price awareness).
- 2) The long-term implications of this highly competitive environment on access, price, driver compensation, and availability are not known. This is new territory.
- 3) The presence of TNCs in the community has shown to have value to the tourism industries, reduced DUIs, reliance on parents for child transport, and creating part-time income for drivers (avg. \$19/hr.).
- 4) Both the current system to regulate taxis and the current practices for regulating TNCs lack total security and each relies on some form of sampling for compliance with regulatory criteria.
- 5) A Vancouver-type model which treats the taxi industry the same as TNCs forces change among taxi operators, who have historically opposed the introduction of TNC's in service areas. The Bellingham model allows the taxi industry to remain unchanged unless they begin to operate more like a TNC.

### **Neighborhood/Community Interests (if known):**

Allowing TNCs to operate in Olympia will provide more transportation options for our residents. They will also create competition for traditional taxi companies that does not currently exist.

**Options:**

- 1) Move to allow staff to work with regional partners on ordinance changes to allow Transportation Network Companies to operate in Olympia. Once completed, forward proposed ordinance changes to Council for discussion/action.
- 2) Move to allow staff to work with regional partners on ordinance changes to allow Transportation Network Companies to operate in Olympia. Once completed, return to General Government for review.
- 3) Do not move forward with new ordinances allowing TNCs to operate in Olympia.

**Financial Impact:**

Staff does not anticipate needing additional resources to manage the addition of TNCs in Olympia. Additional B&O tax may be generated through the use of TNCs.

02/09/15  
02/23/15

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE repealing the current chapter 5.76 VMC relating to taxicabs; adding a new chapter 5.76 VMC relating to taxicabs and transportation network company vehicles and drivers; and providing for an effective date.

WHEREAS, technological changes have brought about changes in the transportation choices for persons residing in or visiting Vancouver; and

WHEREAS, a new technology developed by Transportation Network Companies (TNCs) uses an online-Internet application to connect individuals needing transportation with TNC Drivers; and

WHEREAS, the current provisions of the Vancouver Municipal Code (VMC) at Chapter 5.76 heavily regulate the taxicab industry; and

WHEREAS, the current provisions of the Chapter 5.76 VMC prohibit the operation of TNCs in the City; and

WHEREAS, the City Council desires to allow the operation of TNCs and deregulate the taxicab industry so that TNCs and taxicab companies can both operate under an equivalent regulatory framework; and

WHEREAS, the City Council believes that taxicab companies and TNCs should provide assurance to the City that they are operating with safe vehicles and drivers and with adequate insurance.

NOW, THEREFORE,

**Section 1.** Chapter 5.76 as adopted by M-409, and subsequently amended by M-3767, M-3908, M-3961, and M-4037 is hereby repealed.

**Section 2.** A New chapter 5.76 of the Vancouver Municipal Code is adopted to read as follows:

**Section 5.76.100 Purpose.**

The purpose of this chapter is to provide for the safe operation of taxicab companies and transportation network companies (TNC's), which constitute an important component of the city's transportation system, thus affecting the safety and welfare of the public.

**Section 5.76.105 Definitions.**

The following words and phrases when used in this chapter have the meanings as set forth herein:

"City" means the City of Vancouver, Clark County, Washington.

"Operating" means using a taxicab or TNC vehicle to at any time transport any passenger or item of property for compensation from a point within the corporate limits of the City.

"Person" and "he" and "she" means and includes any natural person, and in addition, a partnership, corporation or an unincorporated association unless a contrary intention plainly appears.

"Special License" shall mean a special license issued to a Taxicab Company or TNC.

"Taxi," "Taxicab" and "Cab" means a motorized vehicle that is held out to the public as providing transportation to passengers or articles:

1. Where the route traveled, destination, or both route and destination is controlled by the

customer; and

2. Where the fare is based on an amount recorded and indicated on a taxi meter or an Internet online-enabled platform or application used to connect passengers with drivers or by a special contract rate.

“Taxicab company” means any entity operating one or more taxicabs other than as a driver, regardless of the legal form of the entity and regardless of whether the taxicabs so operated are owned by the company, or leased, or owned by individual members of the entity.

“Taxicab business” means engaging in any combination of owning, leasing, advertising, driving, occupying or otherwise using a taxicab to at any time transport any passenger or item of property for compensation from a point within the incorporated limits of the city.

“Taxi meter” means a device by which the charge for hire of a taxicab is mechanically and/or electronically measured or calculated based upon a combination of mileage traveled and time elapsed.

“Transportation Network Company” which may be abbreviated herein to “TNC”, means a company that uses an Internet online-enabled platform or application to connect passengers with TNC drivers.

“Transportation Network Company Drivers” or “TNC Driver” means a driver under contract with a TNC Company.

“Transportation Network Company Vehicle” or “TNC Vehicle” means a personal vehicle affiliated with or operating under the authority of a Transportation Network Company where the fare is based



on an Internet online-enabled platform or application used to connect passengers with TNC Drivers.

**Section 5.76.200 Administration - General.**

The city manager or designate shall have the primary authority and responsibility for the administration of this chapter and may adopt rules and regulations for its administration, not inconsistent with this chapter.

**Section 5.76.225 Taxicab Company and Transportation Network Company Special License - Fees.**

A. The City Manager or designee may issue a special license to a taxicab company or TNC provided that the taxicab company or TNC submits an affidavit sworn under penalty of perjury that the taxicab company or TNC is in compliance with standards for vehicle safety, driver training and background, and insurance established under the rules provided for at VMC 5.76.500. The special license shall be effective for one year. The City Manager may stagger the effective date of such permits by adoption of a rule as provided for under VMC 5.76.200 and 5.76.500.

B. Annual Application review fee shall be two hundred dollars (\$200.00). The application review fee prescribed by this section shall be paid at the time of submitting initial and renewal taxicab company and TNC special license application.

C. Special License issuance fee. No taxicab company or TNC special license shall be issued

or valid until the application or attestation provided for at VMC 5.76.530 has been reviewed and approved and the fee prescribed in this section has been paid.

D. Drivers who are independent contractors, affiliated with special licensed taxicab companies or TNC's shall obtain a City business license or a determination of exemption as allowed under VMC 5.04.075.

**Section 5.76.500 Minimum standards for taxicab companies.**

All taxicab companies and TNC's operating in the City of Vancouver shall comply with minimum standards established by the City Manager or designee by administrative rules established under this section and VMC 5.76.200 for:

- A. Vehicle Safety and Maintenance.
- B. Driver Background and Training.
- C. Insurance.
- D. Operations.

The foregoing standards shall generally conform to the best industry practices and be published by the City Manager or designee on the City website and available upon request.

**Section 5.76.530 Proof of compliance with standards - Initial and ongoing compliance review; Audits.**

The City Manager or his designee in consultation with the City Attorney shall prepare a form

affidavit or attestation under penalty of perjury which shall certify compliance with this Chapter and the rules adopted pursuant to this chapter. All matters sworn to in the affidavit are subject to audit.

**Section 5.76.535 Prohibited acts; Penalties**

Taxicab companies and TNC's and taxi and TNC drivers are jointly and severally responsible for violations of this ordinance. In addition to all other provisions and standards of this ordinance, the acts or omissions set forth in this section are prohibited. Any taxicab company and TNC or taxi and TNC driver who shall fail to comply with any provision or standard of this ordinance shall be in violation of this ordinance. Any special license granted to a taxicab company or TNC may be suspended or revoked by the city manager or designate for such violation.

A. Submitting a materially false affidavit or attestation. Any taxicab company or TNC submitting a materially false affidavit as provided for under VMC 5.76.530 shall be subject to a fine of not more than \$10,000.00 for each affidavit submitted.

B. Operating without a special license. Any taxicab company or TNC picking up a passenger in the City of Vancouver without having first obtained a Taxicab company or TNC special license shall be subject to a fine of not more than \$10,000.00 for each violation.

C. Any taxicab driver or TNC driver picking up a passenger in the City of Vancouver that is not operating under a City of Vancouver special licensed taxicab company or TNC shall be subject to a fine of \$1,000.00 for each violation.

D. Any independent contractor taxicab driver or TNC driver who picks up a passenger in the City of Vancouver and who has not obtained a business license under VMC 5.04.090 or determination of exemption under VMC 5.04.075 shall be subject to a fine of \$1,000.00 for each violation.

E. Any taxicab driver or TNC driver who picks up a passenger in the City of Vancouver while operating under a City of Vancouver special licensed taxicab company or TNC company and arranges with the passenger for a subsequent pick-up in Vancouver or elsewhere that is not under the authority of City of Vancouver special licensed taxicab company or TNC, shall be subject to a fine not to exceed \$1,000.00 for each violation.

F. Willful violations of the foregoing provisions may be prosecuted as a gross misdemeanor with a confinement of up to one year in the county jail and fine not to exceed \$10,000.00.

**Section 5.76.700 Enforcement responsibility.**

The city manager or designate shall have administrative authority to implement and enforce this ordinance. The city manager or designate may promulgate regulations including the authority to issue administrative subpoenas to implement the provisions of this chapter. This provision shall not be construed to abrogate or limit the jurisdiction of the Vancouver police department to enforce any provisions of this chapter or of any other city ordinance relating to motor vehicles or the operation of taxicabs or TNC vehicles.

**Section 5.76.720 Administrative Enforcement.**

The enforcement of this chapter shall be governed by the provisions contained in VMC Title 22, Uniform Enforcement Code. No provision of this section, nor any provision in Title 22, shall prevent the city from seeking relief from a court of competent jurisdiction without having first issued a Correction Notice, Notice of Civil Violation and Order, Notice of Suspension or Revocations, or Stop Work Order. All appeals from actions of the city manager or designate under this ordinance shall be governed by Chapter 22.03 VMC.

Section 3. The City Manager is authorized to refund fees collected on a pro-rata basis for the period in which prior Chapter 5.76 VMC repealed under this Ordinance was in effect. The City Manager may adopt rules to implement such refunds.

Section 4. This Ordinance shall be effective thirty days after adoption.

Read first time:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

Read second time:

PASSED by the following vote:

Ayes: Councilmembers

Nays: Councilmembers

Absent: Councilmembers

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Timothy D. Leavitt, Mayor

Attest:

\_\_\_\_\_  
R. Lloyd Tyler, City Clerk  
By: Carrie Lewellen, Deputy City Clerk

Approved as to form:

\_\_\_\_\_  
E. Bronson Potter, City Attorney

SUMMARY

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE repealing the current chapter 5.76 VMC relating to taxicabs; adding a new chapter 5.76 VMC relating to taxicabs and transportation network company vehicles and drivers; and providing for an effective date.

The full text of this ordinance will be mailed upon request. Contact Raelyn McJilton, Records Officer at 487-8711, or via [www.cityofvancouver.us](http://www.cityofvancouver.us) (Go to City Government and Public Records).

## TAXI CODE – ADMINISTRATIVE RULES

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The rules set forth herein apply to:

- Taxicab companies and transportation network companies that operate (pick up passengers) in the City of Vancouver,
- Vehicles operated as taxicabs or transportation network company vehicles in the city, and
- Persons who operate taxicabs or transportation network company vehicles in the city.

The aforementioned companies, vehicles, and persons shall comply with all applicable standards specified herein, and each taxicab company and transportation network company shall affirm said compliance in its annual city taxicab company/TNC special license application and shall retain records providing evidence of said compliance for a minimum of six (6) years from the date of submittal to the city of its taxicab company/TNC special license application for the current special license year. Said records may be audited by the city upon request of the city manager or designate.

**Note:** Taxicab and transportation network companies may impose stricter standards than those set forth herein.



## TAXI CODE – ADMINISTRATIVE RULES

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### A. VEHICLE SAFETY & MAINTENANCE STANDARDS

Each vehicle that is operated in the city as a taxicab or transportation network company vehicle shall comply with all vehicle safety and maintenance standards specified in Rules A.1-A.4.

1. **Age.** Each taxicab or transportation network company vehicle operating in the city shall be no more than ten (10) years old.
2. **Safety Inspection.** Each taxicab or transportation network company vehicle operating in the city shall hold a valid certificate of safety issued by an independent motor vehicle mechanic who is not employed by or associated with the taxicab company or transportation network company and who is a certified National Institute of Automotive Service Excellence (ASE) Master Mechanic in good standing with the ASE. Said certificate shall be based on the vehicle passing a vehicle safety inspection that meets the standards set forth below, and is performed within one (1) year prior to the taxicab company/TNC special license application submittal date.
3. **Inspection Standards.** At a minimum, each vehicle inspection required under Rule A.2 of these rules shall consist of a confirmation of the safe operation of applicable vehicle systems and equipment, and a review of the vehicle's exterior and interior condition and cleanliness. The inspection shall include, but is not limited to, a check of the following systems and equipment.
  - Brake system
  - Alignment
  - Tires and wheel systems
  - Suspension
  - Steering system
  - Transmission
  - Fuel system
  - Exhaust system, compliance with emission standards
  - Belts and hoses
  - Fluids (motor oils, antifreeze, transmission and brake fluids)
  - Heater and air conditioning
  - Drive train and axles
  - Lighting systems and turn signals
  - Seat mechanisms and seat belts
  - Airbags
  - Door locks and windows
  - Hood and trunk latches
  - Speedometer and other gauges
  - Battery and cables
  - Cooling system
  - Horn
  - Wiring
  - Glass
  - Windshield and window glazing
  - Wipers and washers
  - Mirrors
  - Body component soundness
  - Vehicle frame (rebuilt vehicle)

## TAXI CODE – ADMINISTRATIVE RULES

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- 4. Company Identification.** While in service in the city, each taxicab and transportation network company vehicle shall be clearly marked to allow a passenger, governmental official, or other member of the public to associate the vehicle with a licensed taxicab company or transportation network vehicle company, whichever applies, using uniform colors, markings and/or insignia that are in compliance with all other applicable federal, state, and local laws and regulations.

## TAXI CODE – ADMINISTRATIVE RULES

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### B. DRIVER BACKGROUND & TRAINING STANDARDS

Each person that operates a taxicab or transportation network company vehicle in the city and the taxicab company or transportation network company which said person is affiliated with shall comply with the driver standards set forth in Rules B.1-B.5.

1. **Taxicab Company and Transportation Network Company Requirements.** Each taxicab company or transportation network company shall:
  - a. Affirm that each person driving for the company meets all driver standards set forth in this section of the rules based on a review of documented evidence collected by the company, and
  - b. Agree to revoke said person's authority to drive for the company if it finds that any driver standard set forth in this section of the rules is no longer being met by the person, and only reinstate his/her authority to drive for the company upon a finding by the company that all standards are again being met.
  
2. **Age and Driver's License Status Standards.** Each person who operates a taxicab or transportation network company vehicle in the city shall:
  - a. Be a minimum of twenty-one (21) years old,
  - b. Hold a valid driver's license as required by the State of Washington or State of Oregon,
  - c. Have held a valid driver's license in the United States for at least one (1) year from the date authorized to drive for the affiliated taxicab company or transportation network company, and
  - d. Have in force any required vehicle registration(s) and auto insurance policy(ies).
  
3. **Driving History and Criminal Background Standards – 5-Year Standards.** No person shall operate a taxicab or transportation network company vehicle in the city if said person has been convicted of one (1) or more of the following during the **five (5) years** prior to the date the person is authorized to drive for the affiliated taxicab company or transportation network company.
  - a. Driving under the influence of a controlled substance, or other alcohol or drug-related driving violation
  - b. Reckless or negligent driving
  - c. Hit and run, or leaving scene of injury accident
  - d. Fatal accident
  - e. Assault or violent crime
  - f. Gun-related violation
  - g. Sexual offense
  - h. Resisting or evading arrest or eluding law enforcement officer
  - i. Felony
  - j. Theft, robbery, or burglary

## TAXI CODE – ADMINISTRATIVE RULES

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4. **Driving History and Criminal Background Standards – No Time Limit.** No person shall operate a taxicab or transportation network company vehicle in the city if said person is a registered sex offender.
  
5. **Defensive Driving Training.** No person shall operate a taxicab or transportation network company vehicle in the city if, within ninety (90) days of starting to operate a taxicab or transportation network vehicle in the city, said person does not pass a nationally accredited, or equivalent, defensive driving training course and hold a valid certificate providing evidence of passing the course and maintaining certification as long as said person operates a taxicab or transportation network company vehicle in the city.

## TAXI CODE – ADMINISTRATIVE RULES

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### C. INSURANCE STANDARDS

Each taxicab company or transportation network company and its drivers shall comply with the insurance standards set forth in Rules C.1-C.2.

1. **Insurance Coverage Minimums - All Taxicabs and TNC Vehicles.** Each taxicab or transportation network company vehicle, while being operated in the city as such, shall have in force auto liability insurance coverage in an amount no less than one hundred thousand dollars (\$100,000) for any recovery for death or personal injury by one person, and three hundred thousand dollars (\$300,000) for all persons killed or receiving personal injury by reason of one act of negligence, and twenty-five thousand dollars (\$25,000) for damage to property of any person other than the assured.
2. **Proof of Liability Insurance.** Proof of required liability insurance shall be maintained in each taxicab or transportation network company vehicle, or shall be accessible on a smart phone held by the driver of said taxicab or transportation network company vehicle, while operating in the city.

**D. OPERATIONAL STANDARDS**

Each taxicab company, taxicab driver, transportation network company, and transportation network company vehicle driver that operates in the city shall comply with the applicable operational standards set forth in Rules D.1-D.2.

**1. Estimated Ride Cost.**

- a. Prior to initiating the ride, each transportation network company shall disclose the estimated cost of the ride to the potential rider using the company’s online-enabled platform or application.
- b. Upon the request of a potential taxicab rider, and prior to initiating a ride, the taxicab company or affiliated taxicab driver providing the ride shall disclose the estimated cost of the ride to the potential rider.

- 2. Dynamic Market Pricing.** During periods of abnormal market disruptions, taxicab companies and transportation network companies shall not initiate dynamic market pricing. For the purpose of these rules, “abnormal market disruptions” is defined as any change in the ground transportation market, whether actual or imminently threatened, resulting from stress of weather, natural disasters, failure or shortage of electric power or other source of energy, strike, civil order, war, military action, national or local emergency, or other cause of an abnormal disruption of the market which results in a declaration of a state of emergency by the city manager or designate, or the governor of the State of Washington, and “dynamic market pricing” is defined as a pricing strategy that sets highly flexible prices for products or services based on current market demands.



ORDINANCE NO. \_\_\_\_\_

**ORDINANCE REGARDING TRANSPORTATION NETWORK COMPANIES;  
AMENDING CHAPTER 6.54 AND ADOPTING A NEW CHAPTER 6.55 OF THE  
BELLINGHAM MUNICIPAL CODE**

**WHEREAS**, Chapter 6.54 of the Bellingham Municipal Code regulates taxicabs and for-hire vehicle services in the City of Bellingham; and

**WHEREAS**, new technology-based companies, known as transportation network companies, offer a new model of commercial transportation service using online-enabled digital platforms to connect passengers with drivers using personal vehicles; and

**WHEREAS**, transportation network company services are sufficiently distinct from taxicabs and for-hire vehicle services as to warrant separate regulation; and

**WHEREAS**, the Bellingham City Council desires to amend Chapter 6.54 of the Bellingham Municipal Code, regarding Taxicabs and For-Hire Vehicles, and adopt a new Chapter 6.55 of the Bellingham Municipal Code in order to regulate the operations of transportation network companies in the City of Bellingham for the purpose of promoting the safety and welfare of the general public.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BELLINGHAM DOES HEREBY ORDAIN THAT:**

**Section 1**

Section 6.54.020 of the Bellingham Municipal Code, regarding Taxicabs and For-Hire Vehicles, is amended as follows:

**6.54.020 Definitions.**

For the purpose of this chapter, the following definitions shall apply:

“Compensation” means any payment received by the driver of a vehicle for transportation of passengers, including, but not limited to, fares, salary, wages, gratuities, or donations.

“Driver” means a person who drives a taxicab or for-hire vehicle being used to convey passengers for compensation.



"For-hire vehicle" means a vehicle used for the transportation of passengers for compensation, except auto stages, school buses operating exclusively under a contract to a school district, ~~and~~ ride sharing vehicles, and transportation network company vehicles.

"Owner" means the legal entity, person, firm, association or corporation owning, managing or otherwise carrying on a business of conveying passengers for hire in taxicabs or for-hire vehicles.

"Taxicab" means a for-hire vehicle operated to a destination determined by the passenger, with the fare based upon the amount recorded and indicated on a taximeter.

"Taximeter" means a permanently mounted instrument or device by which the charge for hire of a taxicab is calculated either for distance traveled by the vehicle, or for waiting, or for both, and upon which such charges shall be indicated by means of dollars and cents.

## **Section 2**

A new Chapter 6.55 is added to the Bellingham Municipal Code as follows:

### **6.55 Transportation Network Company Services**

#### **6.55.010 Purpose**

The purpose of this chapter is to provide for and promote the safety and welfare of the general public and not to create or designate any particular class of persons who will or should be specially protected by its terms. Nothing contained in this chapter is intended nor shall be construed to create any liability on the part of the city or its employees for any injury or damage resulting from the failure of the licensee to comply with the provisions of this chapter, or by reason or in consequence of any act or omission in connection with the implementation or enforcement of this chapter on the part of the city or its employees.

#### **6.55.020 Definitions**

For the purpose of this chapter, the following definitions apply:

"Transportation network company" or "TNC" means an entity that uses a digital network to connect passengers to TNC drivers who use personal vehicles to transport passengers for compensation between geographical points chosen by the passenger.

"TNC driver" means an individual who uses a personal vehicle to provide transportation services arranged through a TNC's digital network.

"TNC vehicle" means a personal vehicle used by a TNC driver to provide transportation services arranged through a TNC's digital network.

"Operate a TNC in the City of Bellingham" means a TNC uses its digital network to connect a TNC driver to a passenger for a trip originating or terminating in the City of Bellingham.

"Operate as a TNC driver in the City of Bellingham" means a TNC driver accepts a trip request over a TNC's digital network that originates or terminates in the City of Bellingham.

"Person" means any natural person, sole proprietorship, partnership, corporation, limited liability company, or other entity.

"Approved mechanic" means a mechanic who is not employed by or associated with the TNC and who is certified by the National Institute of Automotive Service Excellence.

"Director" means the director of the City of Bellingham's finance department.

#### **6.55.030 Bellingham business registration required**

A. It is a violation of this chapter for any TNC to operate in the City of Bellingham without a current and valid Bellingham business registration.

B. It is a violation of this chapter for any TNC driver, who is an independent contractor affiliated with a TNC, to operate in the City of Bellingham without a current and valid Bellingham business registration.

#### **6.55.040 TNC license required**

A. It is a violation of this chapter for any TNC to operate in the City of Bellingham without a current and valid City of Bellingham TNC license.

B. The director may issue a TNC license provided that the TNC applicant submits an affidavit sworn under penalty of perjury, on a form provided by the City, that to the best of the applicant's knowledge, formed after a diligent inquiry into the facts, the TNC and its affiliated TNC drivers are in full compliance with this chapter, including, but not limited to, all driver, vehicle, insurance, and operational requirements.

C. The TNC license shall be effective for one year.

D. The annual TNC license fee shall be \$1,000 and shall be paid in full at the time of submitting all initial and renewal applications.

#### **6.55.050 TNC driver requirements**

A. TNC drivers shall be at least 21 years of age and shall possess a valid driver's license, proof of motor vehicle registration, and proof of current automobile liability insurance that meets the requirements of this chapter.

B. The TNC or its agent shall maintain accurate and up-to-date records for all TNC drivers accessing its digital network to provide TNC services in the City of Bellingham. Said records

shall include the driver's name, age, address, social security number, criminal history, driver's license, motor vehicle registration, and automobile insurance.

C. Prior to permitting a person to act as TNC driver on its digital network, and annually thereafter, the TNC shall obtain and review a criminal background check report for such person. The criminal background check shall include a search of no less than seven years of database history, unless prohibited by law, in which case the duration of the search shall be the maximum number of years permitted by law. The criminal background check shall include local, state, and national criminal history databases and national and state sex offender registries. Any person who is on a sex offender registry or who has been convicted, within the past seven years, of crimes involving driving under the influence of alcohol or controlled substances, fraud, sexual offenses, property damage or theft, acts of violence, acts of terror, or use of a motor vehicle to commit a felony, shall not be permitted to act as a TNC driver on the TNC's digital network. The TNC or its agent shall maintain records of such criminal background checks for a period of two years. For purposes of this section, the term "conviction" includes convictions, bail forfeitures, and other final adverse findings.

D. The TNC shall revoke a TNC driver's authority to act as a TNC driver on its digital network if it finds that the standards set forth in this section are no longer being met by such person and only reinstate his or her authority upon a finding by the TNC that all standards are again being met by such person.

#### **6.55.060 Vehicle requirements**

Each TNC vehicle shall pass an inspection prior to commencing services in the City of Bellingham, and annually thereafter, by an approved mechanic. Such an inspection shall, at a minimum, include inspection of the following components:

Foot brakes;  
Parking brakes;  
Steering mechanism;  
Windshield;  
Rear window and other glass;  
Windshield wipers;  
Headlights;  
Tail lights;  
Turn indicator lights;  
Stop lights;  
Front seat adjustment mechanism;  
Doors (open, close, lock);  
Horn;  
Speedometer;  
Bumpers;  
Muffler and exhaust system;

Condition of tires, including tread depth;  
Interior and exterior rear view mirrors; and  
Safety belts for driver and passenger(s).

**6.55.070 Insurance requirements**

A. The TNC and TNC driver shall comply with the automobile liability insurance requirements contained in Washington Laws of 2015, ch. 236, sections 1 and 2 as enacted or subsequently amended.

B. The TNC driver shall maintain within his or her motor vehicle proof of insurance satisfying the requirements of this chapter. Such proof may be provided electronically.

**6.55.080 Registered agent required**

The TNC shall maintain a registered agent for service of process in the State of Washington. The name, telephone number, and physical address of the registered agent shall be submitted to the City of Bellingham at the time of license application. The TNC shall notify the City of Bellingham in writing of any changes to its registered agent during the term of the license.

**6.55.090 Audit**

A. No more than twice per license year, the City may audit the TNC's records to review compliance with the chapter. Each audit shall be limited to records relating to no more than twenty randomly selected TNC drivers operating in the City of Bellingham.

B. The audit shall occur at City Hall, 210 Lottie Street, Bellingham, Washington; provided that the City may in its discretion agree to an alternative location.

C. Notwithstanding the foregoing, the City may require the TNC to produce records at any time to investigate a specific complaint regarding compliance with this chapter.

**6.55.100 Operational Requirements**

A. TNC drivers shall accept only rides arranged through a TNC's digital network and shall not solicit or accept street hails.

B. The TNC's software application or website shall display for the passenger the first name and photograph of the TNC driver as well as the make, model, and license plate number of the TNC vehicle.

C. The TNC's software application or website shall display for the passenger the applicable rates being charged and the option to receive an estimated fare before the passenger enters the TNC vehicle.

D. The TNC shall implement a zero tolerance policy on the use of drugs or alcohol applicable to any TNC driver on its digital network. The TNC shall provide notice of the zero tolerance policy on its website, as well as the procedures to report a complaint about a driver with whom the passenger was matched and for whom the passenger reasonably suspects was under the influence of drugs or alcohol during the course of the ride. The TNC shall immediately suspend a driver upon receipt of a passenger complaint alleging a violation of the zero tolerance policy. The suspension shall last the duration of the investigation.

**6.55.110 Revocation of TNC license**

A TNC license may be revoked by the director, subject to appeal under BMC 6.55.120. A TNC license may only be revoked for good cause, including, but not limited to:

1. A materially false statement contained in the application for the license.
2. Any violation of this chapter.

**6.55.120 Appeal procedure**

Any person aggrieved by the denial or revocation of a TNC license may file a notice of appeal with the Bellingham hearing examiner within 14 calendar days of the date of mailing of the notice of denial or revocation. The notice of appeal must be in writing, signed by a person authorized to make it, and must explain the grounds for the appeal. The hearing examiner's decision shall be final and may be appealed to Whatcom County Superior Court within 14 calendar days of the date of the decision.

**6.55.130 Enforcement**

Any police officer may enforce the provisions of this chapter against any person found to be violating the same.

**6.55.140 Misdemeanor – Penalty**

Any person violating any of the provisions of this chapter, including, but not limited, to persons submitting a materially false affidavit under BMC 6.55.040, shall be guilty of a misdemeanor and upon conviction shall be punished by a fine not to exceed \$1,000 or imprisonment not to exceed 90 days, or both such fine and imprisonment. Each day upon which such violation shall occur, or upon which such violation shall continue, shall constitute a separate offense.

**PASSED** by the Council this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Council President

**APPROVED** by me this \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
Finance Director

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Office of the City Attorney

**Published:**

ORDINANCE - 7



## General Government Committee

### Discussion of Council Salaries

**Agenda Date:** 11/18/2015  
**Agenda Item Number:** 4.D  
**File Number:** 15-1043

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**Type:** information **Version:** 1 **Status:** In Committee

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**Title**

Discussion of Council Salaries

**Recommended Action**

**Committee Recommendation:**

Not referred to a Committee.

**City Manager Recommendation:**

Review and discuss information presented on Council salaries. Briefing only; no action requested.

**Report**

**Issue:**

Consider how Olympia City Council salaries compare to similar sized cities; and what is a "salary commission?"

**Staff Contact:**

Joe Olson, Human Resources Director, Administrative Services Department 360.753.8309

**Presenter(s):**

Joe Olson, Human Resources Director

**Background and Analysis:**

1) Council requested information on how its salary compares to similar sized cities.

Background: The attached table compares salaries from AWC member cities that have a council/city manager form of government and a population 10,000 more or less than Olympia's. (The City is a member of the Association of Washington (AWC). Every year AWC does a salary survey of member cities on certain classifications including city council salaries.)

Analysis: Of the cities surveyed, Olympia has the highest rate of pay for council members.

2) Council requested information on how the City of Tumwater formed a salary commission which determines council salaries.

Background: The State Constitution prohibits elected officials from raising their own salaries during

their term in office. However, the state Constitution does permit mid-term salary increases for municipal officers who do not fix their own compensation.

The legislature passed RCW 35.21.015 which allows cities to establish a salary commission by ordinance. Such a commission is empowered to raise salaries of city elected officials at the time set by ordinance (including mid-term) as long as the commission is:

- Appointed by the mayor with approval of the city council;
- Not appointed for more than two terms;
- Only removed during their terms of office for cause of incapacity, incompetence, neglect of duty, or malfeasance in office or for a disqualifying change of residence; and
- Not composed of any officer, official, or employee of the city or town or any of their immediate family members.

Salary increases established by the commission shall be effective as to all city or town elected officials, regardless of their terms of office.

Salary decreases established by the commission shall become effective as to incumbent city or town elected officials at the commencement of their next subsequent terms of office.

Salary increases and decreases shall be subject to referendum petition by the people of the City.

The action fixing the salary by a commission established in conformity with this section shall supersede any other provision of state statute or city or town ordinance related to municipal budgets or to the fixing of salaries.

Analysis: Council can pass an ordinance establishing a salary commission. The commission can set salaries for elected officials at the time identified in the ordinance, including during the mid-term of a city council member.

**Neighborhood/Community Interests (if known):**

N/A

**Options:**

- 1) Create a salary commission.
- 2) Do not create a salary commission.

**Financial Impact:**

Unknown.



## City Council Salary Survey Results

CITY	POP.	MAYOR'S COMPENSATION	MAYOR PRO TEM'S COMPENSATION	COUNCIL'S COMPENSATION
Lakewood	58,400	\$1,400	\$1,300	\$1,200
Shoreline	54,500	\$1,250	\$1,100	\$1,000
Richland	53,080	\$1,362	-	\$1,112
<b>Olympia</b>	<b>51,020</b>	<b>\$1,664</b>	<b>\$1,525</b>	<b>\$1,386</b>
Sammamish	49,980	\$950	-	\$850
Burien	48,810	\$750	\$600	\$600
Lacey	46,020	\$1,550	\$1,440	\$1,325
Bothell	42,640	\$1,200	\$1,050	\$1,000



## General Government Committee

### Discussion of Medical, Dental and Vision Benefit Options and Department of Retirement Systems Rules for Local Officials

**Agenda Date:** 11/18/2015  
**Agenda Item Number:** 4.E  
**File Number:** 15-1104

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**Type:** information **Version:** 2 **Status:** In Committee

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#### **Title**

Discussion of Medical, Dental and Vision Benefit Options and Department of Retirement Systems Rules for Local Officials

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Discuss benefit options and Department of Retirement Systems rules for City Councilmembers. Briefing only; no action requested.

#### **Report**

##### **Issue:**

Council has requested information on medical, dental and vision benefit options available to them through the AWC Employee Benefit Trust, the City's current insurance provider for all City employees' medical, dental and vision benefits, or the private insurance market. Council has also requested information on participation rules for local officials with the Washington State Department of Retirement Systems.

##### **Staff Contact:**

Stacy Hamilton, Accounting Services Supervisor, Administrative Services Department, Finance, 360.753.8004

##### **Presenter(s):**

Stacy Hamilton, Accounting Services Supervisor, Administrative Services Department, Finance.

#### **Background and Analysis:**

##### Medical/Dental/Vision Insurance:

The AWC Employee Benefit Trust's criteria for elected officials' participation in medical insurance is that 50 percent of the elected officials group must be enrolled on a Trust-sponsored medical plan. Councilmembers can choose to be insured under the Regence BlueShield medical plan or the Group Health medical plan. Should participation by the elected officials group drop below the minimum 50%

enrollment levels for elected officials during the year, coverage for all officials will be terminated the first of the month following non-compliance.

AWC's participation criteria for elected officials in dental and vision insurance is 75% of all elected officials must be enrolled on a Trust-sponsored dental and vision plan. Councilmembers can choose to be insured under a Delta Dental of Washington and/or Vision Service Plan (VSP) vision plan.

Councilmembers could also choose a medical insurance plan through an independent, private insurance provider. Each Councilmember would have their own individual insurance policy, which requires each member to be individually experience-rated as opposed to being experience-rated as part of a "pool" of members. Being individually experience-rated means that health insurance costs from one year to the next can increase substantially should that individual incur a lot of medical expenses in any given year. In addition, "appointed" officials would not qualify for insurance through an independent, private insurance provider due to the fact that the "appointed" official is "appointed" to the Council outside of the open enrollment period, and being "appointed" to a council position is not considered a qualifying event under federal regulations to sign up for insurance outside of the open enrollment period on the private insurance market.

Retirement Plan:

Councilmembers are not required to belong to any retirement system as a result of serving in a locally elected position. Councilmembers may apply for membership at any time during their current term of office (membership will be retroactive to the first day of the term). Once a Councilmember establishes membership in the Washington State Department of Retirement System (DRS) Public Employees' Retirement System (PERS), they must remain a member until they separate from all eligible public employment. There is no minimum participation criteria for DRS, each Councilmember may apply individually to DRS to participate in the state retirement system.

**Neighborhood/Community Interests (if known):**

N/A

**Options:**

Medical/Dental/Vision Insurance Options:

- Option 1: Purchase AWC Employee Benefit Trust medical, dental and/or vision plan(s).
- Option 2: Purchase medical, dental and/or vision plan(s) through an independent private insurance provider.
- Option 3: Council can choose not to purchase medical, dental and/or vision insurance plan.

Retirement Plan Options:

- Option 1: Each Councilmember can choose to individually participate in DRS.
- Option 2: Each Councilmember can choose not to individually participate in DRS.

**Financial Impact:**

Financial impact would depend on which insurance plan(s) the Council chooses to participate in.