Welcome to Washington
A guidebook for city managers

Presented by
Washington City/County Management Association

August 14, 2019
Welcome to Washington
A Guidebook for City Managers
Summer Conference

PRESENTED BY:
WASHINGTON CITY/COUNTY MANAGEMENT ASSOCIATION

Objective

• To familiarize city managers and city administrators with Washington’s unique laws, policies and politics
  • Experienced city managers from other states
  • New city managers
    • Promoted from assistant
    • Promoted from department executive position
  • Those aspiring to be city managers
Agenda overview

• Governance Models and Open Government: Marilynne Beard
• Finance and Budget: Tracey Dunlap
• Leadership – Building Effective Relationships with Council: Anne Pflug
• Land Use Law and Economic Development: John Caulfield
• Employment Law and Labor Relations: Steve Hall

Governance Models

Forms of Government

• Mayor-Council (RCW 35A.12)
  • Also called “Strong Mayor”
  • Some have City Administrators
• Council-Manager (RCW 35A.13 )
• Commission (RCW 35.17)
Cities by the Numbers

<table>
<thead>
<tr>
<th>Population</th>
<th>Commission</th>
<th>Mayor/Council</th>
<th>Council/Manager</th>
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State and Local Relations

- Washington cities require enabling authority from the State (unlike Home Rule states)
- Counties provide regional services, e.g.
  - Elections
  - Superior Court
  - Property assessments and property tax collection
  - Public Health
  - Felony incarceration
  - Municipal services to unincorporated areas and some cities
Special and Public Districts

• Created to provide municipal services otherwise provided by cities
  • Utilities
    • Water
    • Sewer
    • Surface water
  • Electric and natural gas
  • Telcom

Special Districts - continued

• Created to provide municipal services otherwise provided by cities
  • Fire and Emergency Services
    • Fire Districts
    • Regional Fire Authorities
  • Libraries
  • Parks and Recreation . . . and many more!
Separation of Powers – City/Court Relations

Judge
- Appointed
- Elected
- In either case, independent with regard to judicial matters

General Rule 29 defines administrative authority and what can be delegated to whom

Court revenue is a general revenue for the City
- Courts cannot be required to generate a desired level of revenue
- Fines and forfeits are imposed and collected by the Court
- Cities can set local fines (e.g., parking but cannot interfere with judicial decisions)

Open Public Meetings (RCW 42.30)
- Applies to all meetings when a quorum of the members is in attendance
  - City Councils
  - Boards and Commissions
- City Council Committees
- Requirements
  - Public Notice
  - Minutes
  - Access to the public
  - Training for all elected officials and records officers
Open Public Meetings

• Executive Sessions (RCW 42.30.110)
  • Limited by topics
    • Acquisition or sale of property *when knowledge of the topic will likely cause a change in price*
    • Performance of a public employee *but not just any personnel matter*
    • Pending or potential litigation
    • Labor negotiations (which is really a “Closed Session”)
  • Discussions and materials must remain confidential
  • Discussions must be confined to the topic of the executive session

The Accidental Meeting

• When can a conversation become a meeting?
  • Email exchanges that involve a quorum of the Council
  • Any meeting when a quorum of the Council is present AND City business is being discussed
  • Participation in social media by a quorum of the Council
  • A series of phone conversations of a quorum (the “Daisy Chain”)

• When in doubt
  • Publicize the meeting
  • Listen to your City Attorney and City Clerk
  • Call MRSC
Public Records Act

• A Public record is...
  • Any writing or recording including text messages, voice mails, blog postings
  • That relates to the conduct of government
  • That is created, owned, used or retained by that government or its employees
  • All records are presumed to be subject to disclosure with narrow exceptions

Public Records Act - continued

• Public disclosure requests
  • Can be in any form
  • Do not have to disclose the purpose of the request
  • Do not require you to create records that don’t currently exist
  • Agencies must respond promptly or be subject to monetary fines
2017 Legislative Update

• HB1595
  • Authorizes charges for electronic copies of records
  • Authorizes charges for locating and preparing excessively complex requests
  • Defines requests that are overly broad as not valid requests
  • Allows agencies to deny automatically generated requests (“robo requests”) that would interfere with the normal course of business

• HB1594
  • Protects personal records of volunteers not serving in an administrative capacity, not an appointed official and with no supervisory authority
  • Requires agencies to maintain a log of requests
    • Name of requestor
    • Date and text of request
    • Description of records produced
    • Description of redactions
    • Date of final disposition
  • Establishes new reporting requirements if agency PRA costs over $100,000
Public Record Pitfalls and Tips

• Do not put it in an email unless you are ready to disclose it (or see it in the newspaper)
• Do not delete it just because you don’t want to disclose it
• Understand and abide by retention rules
• Don’t keep records beyond their retention period because if you get a PRR it’s more records to search

Public Record Pitfalls and Tips - continued

• Have a policy for participating in social media and a way to save social media posts
• Err on the side of disclosure
• Make sure your staff understands the PRA
• Pick your battles
Welcome to Washington
A Guidebook for City Managers

Finance & Budget

Presented by:
Tracey Dunlap

We’ll Discuss

• Constitutional Provisions (e.g. Gift of Public Funds)
• BARS
• Budget
• Local Government Revenue Sources
• Property Tax
• Purchasing
• State Auditor
The Big Picture: Constitutional Provisions

- Gift of public funds prohibited
- No lending of public credit
- No income tax (but not in so many words)
- Aggregate property tax limit
Budgeting, Accounting and Reporting System (BARS)

• Proscribed system of accounting and reporting
• Outline of BARS manual
  • Chart of accounts
  • Budgeting
  • Accounting
  • Financial Reporting
• Considerations of working under BARS

Budgeting

State law requirements
• Variations by type of city (code/non-code)

State law options – biennial versus annual

How BARS impacts budget approaches
• Chart of accounts
• Specific timelines and requirements
• Required public hearings (2)
• Broad guidance only as to approach
Factors Contributing to Budget Balancing Challenges

• Citizen initiatives
• Property tax limitation
• Volatility of sales tax
• Growth in labor and benefit costs
• Binding arbitration

Saving for the Rainy Day

Statutory Reserves

• RCW 35A.33.145 - Contingency fund
  • Unforeseen expenses
  • Maximum accumulation limited to $0.375 per $1,000 of assessed valuation (AV)
• RCW 35.21.070 - Cumulative reserve fund
  • Can be for a variety of municipal purposes
  • 2/3 majority approval of Council to use for purposes not defined in local ordinance
  • Requirement to segregate certain revenues (examples: impact fees, real estate excise tax)
Municipal Revenue Sources

- Taxes
- Permits and licenses (Regulatory)
- Intergovernmental payments
- Fees for service
- Fines and forfeits
- “Miscellaneous”

Types of Taxes

- Sales tax
- Property tax
- Business and occupation tax
- Utility tax
- Lodging tax (Tourism)
- Gambling tax
- Admissions tax
- Real Estate Excise Taxes (Capital)
Sales Tax - How Does it Work?

• Statutory authority: RCW 82.14.030
• Collected as percentage of sale
  • Clothing
  • Household goods
  • Automobiles
  • Eating out
• Destination of sale determines who gets the revenue (except automobiles)

How Much is the Sales Tax?

• Depends on location (in King County, most pay 10%)
• Items not taxed
  • Unprepared foods (Groceries)
  • Prescription drugs
  • Some public expenditures
  • Home sales
Where Does it Go? (Kirkland Example)

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<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
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<tr>
<td>State of Washington</td>
<td>6.50%</td>
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<tr>
<td>King County/Metro</td>
<td>1.00</td>
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<tr>
<td>Criminal Justice Funding</td>
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City of Kirkland (1.0 plus 0.1 with 15% remitted to County)

<table>
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<tr>
<th>Component</th>
<th>Percentage</th>
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<td>Base City portion</td>
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<tr>
<td>Base County portion</td>
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<tr>
<td>Optional Voted 0.1% Criminal Justice</td>
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<tr>
<td>Optional Voted 0.1% Criminal Justice County</td>
<td>0.015</td>
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</table>

Regional transit: 1.40

**Total rate:** 10.10%

**Additional 0.3% for car sales and leases (Transportation)**: 10.30%

1 Per RCW 82.14.450, 30% must be used for “criminal justice purposes; and this increment does not apply to car sales and leases.

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Issues Affecting Sales Tax

- Economic conditions
- State mandates and initiatives
- Local land use decisions
- Economic development efforts
- Streamlined sales tax
- Legislation
  - Recent example is HB1406 which shares a portion of the State’s existing sales tax revenue for affordable housing and supportive services if certain actions are taken.
Property Tax

- Statutory authority: RCW Title 84
- At least 30 types of taxing districts with different maximum levies individually and in aggregate
- Two main aggregate limits:
  - Statutory limit applies to most local regular tax levies ($5.90 per $1,000 AV)
  - Constitution limits the amount of property tax imposed on an individual parcel without voter approval to one percent of its true and fair value
- If either limit is reached, the individual levy components are reduced for junior taxing districts first (it’s complicated!)

Property Tax - How Does it Work?

- Levies are divided by the assessed valuation (AV) as determined by county assessor
- A “property tax rate” results
- The “Rate” is applied to every $1,000 of assessed valuation on each property

Sample levy calculation:
Total levy $15 million divided by
Assessed valuation $10 billion/$1,000 equals
Levy rate of $1.50 per $1,000 AV
Property Tax Truths

• The city determines its levy (total allowable property tax revenue or the amount needed to balance the budget if less)
  • Current levy plus allowance for new construction
  • Plus optional amount up to the lesser of . . .
    • Implicit Price Deflator
    • One percent
  • Banked capacity if available (allowable increase not taken in the past)
• The Assessor determines home values based on market values
• The tax rate per $1,000 results from the math
• The rate is multiplied by the parcel’s AV/$1,000 to arrive at the individual tax bill

Property Tax Myths

• When the valuation goes up the city gets more revenue
• If the city raises property taxes by 1% my entire tax bill will go up 1%
• The city determines the tax rate, the Assessor determines my value and the city gets whatever revenue results
• My taxes go up every year
Factors Affecting Property Taxes

- City council decisions
- Decisions of other jurisdictions
- Decisions of voters
- County assessor’s valuation
- Your property
- All other properties
- Your property compared to all others
- New construction

Who Gets the Property Tax? (Kirkland Example)
Budget Implications

• 1% limit on base levy growth generally results in revenues growing slower than expenses (the diverging lines)
• Trends on growth from new construction can be hard to predict resulting in volatility
• In growing AV environment, the only way to access unused rate capacity is through a voted levy lid lift

Business and Occupation Tax (B&O tax)

• Statutory authority: RCW 35.22.280/35A.82.020/35.90.020, others
• Three main forms:
  • Excise (%) taxes levied on different classes of business to raise revenue
  • Licenses for the purpose of regulation only
  • Licenses to regulate and raise revenue
• Can take a variety of forms:
  • Percentage tax on gross revenues
  • Revenue Generating Regulatory Fee can be based on square footage, employees, type of business
• Local B&O tax is imposed in addition to Washington State’s B&O tax - recent legislation requires model ordinance adoption by 1/1/19, transition to collection by State Business License Services (BLS) by 2022 (if funding provided, 2027 if not), or election to use FileLocal by 2020
Utility Taxes

• Considered a B&O tax but not subject to recent legislation
• Imposed as a percent of total bill on . . .
  • Private utilities such as electricity, natural gas, telephone, cable
  • Public utilities such as water, sewer, garbage and surface water
  • Can be applied to special purpose utility districts although some choose a franchise fee as an alternative
• Tax on private utilities is limited to 6% without a vote
• No statutory limit on the rate charged to the jurisdictions own utilities
• Counties cannot currently impose a utility tax (but they are trying!)

Lodging (Hotel-Motel) Tax

• Statutory Authority: RCW 67.28.180
• Limitation on use
  • Tourism promotion
  • Acquisition and/or operation of tourism-related facilities
  • Special events designed to attract tourists
  • Annual reporting requirements to the State
• Counties also have the right to levy this tax and in most cases must allow a credit for city tax
  • Special circumstances – King County – limited to 1% for most cities until the bonds for the new football stadium are retired in 2021
Real Estate Excise Tax (REET)

- Statutory Authority: RCW 82.45 and 82.46
- Levied on all sales of real estate
- The State levies 1.28%
- All cities may levy a quarter percent tax (REET 1) [.25%]
- Cities fully planning under GMA may levy an additional quarter percent tax (REET 2) [.25%]
- Role of Capital Facilities Plan (CFP)
- For specific capital purposes and comes with conditions that vary - consult the statutes for more information

Other Taxes

- Gambling Taxes (RCW 9.46.110)
- Admissions Tax (RCW 35.21.280)
- Leasehold Excise Tax (RCW 82.29A)
- Gas Tax (RCW 82.36.025)
- Liquor Tax (RCW 66.08)
- EMS Levy (in some areas) (RCW 84.52.069)
- Criminal Justice Sales Tax (RCW 82.14.3**)
- Marijuana Excise Tax (RCW 69.50.530-540)
Other Revenues

• Intergovernmental payments
  • Grants (Federal and State)
• Permits and licenses (Regulatory)
• Fees for service
  • Fees should be based on cost of service
• Fines and forfeits
  • Parking fines set by council
  • All other fines set by state law
• Miscellaneous
  • Rents, settlements, interest income, etc.
• Other major capital resources
  • Impact fees (RCW 82.02.050)
  • Transportation Benefit District (RCW 36.73)

Purchasing

State law requirements vary
• By type of city
• By type of purchase
  • Public works
  • Architectural services
  • Professional services
  • Equipment purchases
• State contract and interlocal purchasing
Legal and Regulatory Environment

- Generally establishes avenues for purchasing and thresholds
- RCW
  - Established dollar limits and process for competitive bidding
  - Requires payment of prevailing wage
- Local municipal code (for code cities)
  - Establishes local limits and requirements
  - Allows interlocal agreements
  - Establishes internal authority and accountability

For More on Purchasing for Your Jurisdiction

Resources
- Your Jurisdiction's Municipal Code
- Municipal Resource and Services Center – City Bidding Book
Other Considerations

• Cooperative purchasing (interlocal agreements)
  • State contract
  • Other agencies
  • Cooperatives
• Job order contracting (JOC)
• Sole source
• Emergency purchases

Ethical/Audit Issues with Purchasing

• Influencing vendor selection
• Circumventing bid requirement/splitting job
• Using emergency in absence of real one
• Inappropriate use of sole source
  • Restrictive specifications
  • Pre-qualifying in discriminatory manner
• Withholding information
• Collusion
• Kickbacks
• Low balling followed by change orders
• Substitution of products
State Auditor

• State law requirements
• Types of audits
• Scope of SAO Audit
• Key concepts
• Other auditors
• What to watch for and tips for success

The Audit – Legal and Regulatory Environment

RCW
• Establishes State Auditor as elected official
• Requires financial and compliance audits by State Auditor’s Office (“SAO”)
• Requires Auditor to prescribe uniform system of accounting and reporting
• Performance Audits mandated by I-900

AICPA
• Sets Generally Accepted Auditing Standards
• Recognizes GASB as rule making body for government financial reporting
Types of Audits

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<th>Financial</th>
<th>Compliance</th>
<th>Performance</th>
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<td><strong>Internal</strong></td>
<td><strong>External</strong></td>
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<tr>
<td>• Documentation for expenditures</td>
<td>• SAO</td>
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<tr>
<td>• Cash counts and cash handling practices</td>
<td>• Granting agencies</td>
<td></td>
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<tr>
<td>• Inventory controls</td>
<td>• IRS</td>
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<tr>
<td>• Payroll procedures</td>
<td>• Other state agencies</td>
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<tr>
<td>• Policy compliance (cell phones, procurement cards)</td>
<td>• Retirement</td>
<td></td>
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<td></td>
<td>• Revenue</td>
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<td></td>
<td>• Benefit administrators</td>
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<td>• Unions</td>
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Scope of SAO Audit

• Financial audit
  • Financial information
  • Internal controls
• Compliance audit
  • Legislative priorities
  • High risk items
  • RCW compliance
  • Local legislation and policy compliance
• Single audit (Federal grants)
• Complaint driven audit
• Performance audit
• Fraud
• Whistleblower
Key Concepts

- Materiality
- Range of opinions
  - Unqualified “Clean” opinion
  - Qualified opinion
  - Findings
  - Disclaimer
  - Adverse opinion
- Management Representation Letter(s)
- Council Participation (entrance/exit conferences, interviews)

Other Auditors

- Department of Revenue (DOR)
- Department of Retirement Systems (DRS)
- Labor and Industries (L&I)
- Labor unions
- IRS
Audit Tips

• SAO reviews all Council meeting minutes
• Adopt policies and procedures you can adhere to
• Ensure that you adequately resource and train your finance function
• Use SAO website resources
  • Filter report notification (for example, cities/findings)
  • Local Government Performance Center

Thank You!

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Questions?
Welcome to Washington
A Guidebook for City Managers
Leadership – Building Effective Legislative Body/Manager Relationships

PRESENTED BY:
ANNE PFLUG, SENIOR ADVISOR WCMA

Building Effective Legislative Body/Manager Relationships

- Roles
- Building and Maintaining Relationships
- Communication Tips
Know **Your** Role – Do it Well!

**Council Manager Cities** (RCW 35A.13.050 to 140, RCW 35.18.040 to 140 and any Charter)

1. **General supervision** over the administrative affairs of the city...
2. To **appoint and remove** at any time all department heads, officers, and employees of the city, except civil service. Delegate to appointment and removal powers.
3. To attend all meetings of the council...
4. To see that all laws and ordinances are faithfully executed...
5. To recommend for adoption by the council such measures as he or she may deem necessary or expedient...
6. To prepare and submit to the council such reports as may be required by that body or as he or she may deem it advisable to submit...
7. To keep the council fully advised of the financial condition of the code city and its future needs...
8. To prepare and submit to the council a proposed budget for the fiscal year, as required by chapter 35A.33 RCW, and to be responsible for its administration upon adoption...
9. To perform such other duties as the council may determine by ordinance or resolution...
10. On recommendation of the city manager or upon its own action, the council may create departments, offices, and employments and may determine the powers and duties of each department or office. Compensation of appointive officers and employees may be fixed by ordinance after recommendations are made by the city manager.
11. Upon recommendation of the city manager, the council shall make provision for obtaining legal counsel for the city, either by appointment of a city attorney on a full time or part time basis, or by any reasonable contractual arrangement for such professional services.

Know the **Council’s Role** & Respect It

**RCW 35A.13 and RCW 35.18 (Council-Manager City) and any Charter**

The council shall appoint the "city manager" who shall be the chief executive officer and head of the administrative branch of government.

The council shall have all of the powers which inhere in the city or town not reserved to the people or vested in the city manager, including but not restricted to the authority to adopt ordinances and resolutions. (RCW 35.18.160)

That the council may provide for the appointment by the mayor, subject to confirmation by the council, of a city planning commission, and other advisory citizens’ committees, commissions, and boards advisory to the city council.

That if the municipal judge of the code city is appointed, such appointment shall be made by the city manager subject to confirmation by the council, for a four year term.

Except for the purpose of inquiry, the council and its members shall deal with the administrative service solely through the manager and neither the council nor any committee or member thereof shall give orders to any subordinate of the city manager, either publicly or privately....

The council may cause an audit to be made of any department or office of the code city government and may select the persons to make it, without the advice or consent of the city manager; On recommendation of the city manager or upon its own action, the council may create such departments, offices, and employments...determine the powers and duties of each department or office.

Compensation of appointive officers and employees may be fixed by ordinance after recommendations are made by the city manager.

Pursuant to recommendation of the city manager, the council shall make provision for obtaining legal counsel for the city...

Neither the council, nor any of its committees or members, shall direct the appointment of any person to, or his or her removal from, office by the city manager or any of his or her subordinates.
Council Role – Appointment and Dismissal of City Manager
(RCW 35.18.050, 120 and 130 or 35A and any Charter)

Appointment

City Council appoints the City Manager. The city manager need not be a resident at the time of his or her appointment, but shall reside in the city after his or her appointment unless such residence is waived by the council. He or she shall be chosen by the council solely on the basis of his or her executive and administrative qualifications with special reference to his or her actual experience in, or his or her knowledge of, accepted practice in respect to the duties of his or her office. No person elected to membership on the council shall be eligible for appointment as city manager until one year has elapsed following the expiration of the term for which he or she was elected.

Dismissal

The city manager shall be appointed for an indefinite term and may be removed by a majority vote of the council. At least thirty days before the effective date of his or her removal, the city manager must be furnished with a formal statement in the form of a resolution passed by a majority vote of the city council stating the council’s intention to remove him or her and the reasons therefor. Upon passage of the resolution stating the council’s intention to remove the manager, the council by a similar vote may suspend him or her from duty, but his or her pay shall continue until his or her removal becomes effective.

The city manager may, within thirty days from the date of service upon him or her of a copy thereof, reply in writing to the resolution stating the council’s intention to remove him or her. In the event no reply is timely filed, the resolution shall upon the thirty-first day from the date of such service, constitute the final resolution removing the manager and his or her services shall terminate upon that day. If a reply shall be timely filed with the city clerk, the council shall fix a time for a public hearing upon the question of the manager’s removal and a final resolution removing the manager shall not be adopted until a public hearing has been had. The action of the council in removing the manager shall be final.

Defined Roles -- Other Forms of Government

City Administrator or other Chief Administrative Officer reporting to the Mayor powers defined by:
- City Charter (RCW35A.090), Ordinance/Code or Resolution
- Job Description
- Employment Contract

County Manager/Administrator/Appointed Executive reporting to Commission or County Charter Legislative Body OR Elected County Executive Powers defined by:
- County Charter (RCW
- County Ordinance/Code or Resolution
- Job Description
- Employment Contract

Charter Legislative Body or County Commission Powers (Commission has both legislative and executive powers) as defined by:
- RCW 36.32
- County Charter
- County Ordinance/Code
Tips: Actions you can take to Help Everyone Stay in “their lane”

- Have and start the Councilmember orientation process early – with candidates and after election results
- Do all you can to make sure Councilmembers feel they are playing a meaningful role
- Keep in mind that if you become directly involved in the policy making arena it’s hard to expect elected officials to refrain from becoming involved in management of the organization
- Communicate hard truths honestly and openly in a timely manner
- Effectively carrying out a policy decision the staff did not recommend communicates a powerful message about respect for the governing body and their policy making role
- It is amazing how successful managers can be if they initiate and carry through important initiatives they don’t need to personally take credit for
- The best way to establish the trust and confidence needed to achieve “big things” is to consistently do the small things well in response to the Council

Source: ICMA Guide

Best Practices: Actions that enhance trust and effectiveness

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<tr>
<th>Manager Support of GB</th>
<th>GB Support of Manager</th>
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<tbody>
<tr>
<td>• Provide well prepared, clear, thoughtful recommendations – provide policy advise not advocacy</td>
<td>• Provide clear direction on policy decisions</td>
</tr>
<tr>
<td>• Point out policy alternatives and opportunities for community engagement</td>
<td>• Provide direction on priorities, goals, annual legislative agenda, values and mission</td>
</tr>
<tr>
<td>• Not playing favorites among GB</td>
<td>• Provide timely evaluation of performance -- emphasize what is done well and what could be better</td>
</tr>
<tr>
<td>• Being responsive to citizen requests forwarded by GB</td>
<td>• Contribute information about your constituent’s needs and/or your interests to policy discussions</td>
</tr>
<tr>
<td>• Keeping the GB informed with timely information</td>
<td>• Respect the Manager’s areas of responsibility and authority</td>
</tr>
<tr>
<td>• Direct public recognition to the GB for its community leadership</td>
<td>• Do not jump to conclusions about staff regarding citizen complaints</td>
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<td>• Provide training and group development time</td>
<td>• Reserve criticism of the Manager or staff to outside the public arena</td>
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<td></td>
<td>• Set reasonable expectations for goals and projects based on available resources</td>
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<td></td>
<td>• It is the Council’s job to address its own members behavior and ethics</td>
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Source: ICMA Guide
Building Effective Legislative Body/Manager Relationships

- **Roles**
- **Building and Maintaining Relationships**
  - **Teamwork**
  - **Facilitating Decision Making**
- **Communication Tips**

Tip: “It is like a marriage” – You have to **work** at every stage

- **Courting** – Form a foundation ... *It helps to get to know SWOT about each other*
- **Commitment** – Talk about it... *Test the boundaries in important areas of your life together and come to an understanding to support your commitment*. Assemble your internal and external support team.
- **Trial and Error** – Learn from your victories and your mistakes... *build and repair trust and confidence*. Find ways to support each other.
- **Navigating New Life Stages and Family Members** – Acknowledge and celebrate the changes, challenges and opportunities, find ways to *re-establish your foundation and commitment*.
- **Moving On** – Know when its time to go...help each other understand, celebrate and work through the changes. *Get help to make the transition as healthy as possible*. 

WCMA Washington City/County Management Association
A State Affiliate of ICMA
High Performance Teams

Local legislative body effectiveness *Life Cycle*

- Address complex or legacy issues at the peak of effectiveness
- Forgo complex issues at low point
Best Practice: Nurture the Ten Practices of Highly Effective Teams

1. The team (and members) has clear roles & responsibilities
2. Driven by compelling purpose – goal, vision
3. Guided by team coach (leader) – promotes, develops, reinforces
4. Have mutual trust – familiarity
5. Developed team norms – clear, known & appropriate
6. Holds shared understanding of task, mission & goals – holds shared mental models
7. They self-correct – huddles, debriefs
8. Set expectations – clear, understood
9. Shared unique information – effective information protocols
10. Surrounded by optimal organizational conditions – respect, support, partnership philosophy, policies, practices, signals

Tip: Recognize and Call out for the Council the Gray Areas – Negotiation and Flexibility Breed Success
Support Your Council’s Development as Group Decision Makers

Initiator/convener  
Information giver/seeker/content expert  
Idea generator

Gatekeeper/facilitator of all member’s participation

Encourager – Affirms members and their efforts, emphasizes positive

Opinion giver/seeker

Harmonizer -- Conciliates differences, diffuses tension, humor

Elaborator – builds on others ideas

Compromiser -- willing to meet others halfway, finds paths to agreement, willing to change position

Evaluator using stated criteria

Observer/Commentator

Summarizer /coordinator of ideas

Follower

Energizer – Moves group toward decision, time minder

Group Building Roles

facilitates group progress

Improves group performance

Effective groups have members who fill each of these roles as needed

Group Task Roles

Dysfunctional Team Member Roles that Disrupt Group Progress

Aggressor -- personal verbal attacks; discounting the values, acts or feelings of others; disrespectful joking; attacking the problem or rest of the group; taking credit for work of others

Blocker – negative, resistant or disagreeing without reason; constant re-cycling issues

Recognition Seeker

Self confessor – excessively uses group as audience for unrelated stories or ideas

Help seeker

Dominator

Special interest pleader -- speaks for a specific group in order to mask or block personal participation in group decision process

Play timer – uses group time to mess around

Source: Benne and Sheats, 2007
Best Practice: Tailor Council Communication to Your Council’s Decision Style

Four Primary Decision Styles

**Analytical style** - logical approach, consider all aspects of problem before decision

- **Directive style** - action, task and goal oriented, consider the key facts and act
- **Conceptual style** - integrates information, considers people and broad aspects of situation
- **Behavioral style** - focuses on people and social or personal impacts of decision

Written communication should support your GB’s predominate group decision style

<table>
<thead>
<tr>
<th>STYLE Types</th>
<th>Presentation Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directive</td>
<td>Summary</td>
</tr>
<tr>
<td>Conceptual</td>
<td>Process and key people</td>
</tr>
<tr>
<td>Behavioral</td>
<td>Individual interests</td>
</tr>
<tr>
<td>Analyzer</td>
<td>Through analysis of options and data</td>
</tr>
</tbody>
</table>
Match Communication method with style

**STYLE Types**
- Driver
- Promoter
- Relater
- Analyzer

**PRESENTATION Format**
- Verbal - bottom line
- Audio-visual
- Personal - verbal
- Written - time to evaluate

---

How Do I Identify Decision Styles?

<table>
<thead>
<tr>
<th>FACTORS:</th>
<th>CONCEPTUAL STYLE</th>
<th>DIRECTIVE STYLE</th>
<th>BEHAVIORAL STYLE</th>
<th>ANALYTICAL STYLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>How to Recognize</td>
<td>They get excited.</td>
<td>They like their own way; decisive &amp; strong viewpoints.</td>
<td>They like positive attention, to be helpful &amp; to be regarded warmly.</td>
<td>They seek a lot of data, ask many questions, behave methodically &amp; systematically.</td>
</tr>
<tr>
<td>Tends to Ask:</td>
<td>Who? (the personal dominant question)</td>
<td>What (the results oriented question.)</td>
<td>Why? (the personal non-goal question.)</td>
<td>How? (the technical analytical question.)</td>
</tr>
<tr>
<td>What They Dislike:</td>
<td>Boring explanations, wasting time with too many facts.</td>
<td>Someone wasting their time trying to decide for them.</td>
<td>Rejection, treated impersonally, uncaring &amp; unfeeling attitudes.</td>
<td>Making an error, being unprepared, spontaneity.</td>
</tr>
<tr>
<td>Reacts to Pressure and Tension By:</td>
<td>&quot;Selling&quot; their ideas or argumentative.</td>
<td>Taking charge taking more control.</td>
<td>Becoming silent, withdraws, introspective.</td>
<td>Seeking more data &amp; information.</td>
</tr>
<tr>
<td>Best way to Deal With:</td>
<td>Get excited with them. Show emotion.</td>
<td>Let them be in charge.</td>
<td>Be supportive; show you care.</td>
<td>Provide lots of data &amp; information.</td>
</tr>
<tr>
<td>Likes To Be Measured By:</td>
<td>Applause, feedback, recognition.</td>
<td>Results, Goal-oriented.</td>
<td>Friends, close relationships.</td>
<td>Activity &amp; busyness that leads to results.</td>
</tr>
<tr>
<td>Must Be Allowed To:</td>
<td>Get ahead quickly. Likes challenges.</td>
<td>Get into a competitive situation. Likes to win.</td>
<td>Relax, feel, care, know you care.</td>
<td>Make decisions at own pace, not cornered or pressured.</td>
</tr>
<tr>
<td>Will Improve With:</td>
<td>Recognition &amp; some structure with which to reach the goal.</td>
<td>A position that requires cooperation with others.</td>
<td>A structure of goals &amp; methods for achieving each goal.</td>
<td>Interpersonal and communication skills.</td>
</tr>
<tr>
<td>Likes To Save:</td>
<td>Others, they rely heavily on hunches, intuition, feelings.</td>
<td>Thin, they like to be off duty. Get things done now.</td>
<td>Relationships, friendships mean a lot to them.</td>
<td>Care &amp; provide detail, specific plans &amp; activities to be accomplished.</td>
</tr>
<tr>
<td>For Best Results:</td>
<td>Inspire them to bigger &amp; better accomplishments.</td>
<td>Allow them freedom to do things their own way.</td>
<td>Structure a framework or &quot;track&quot; to follow.</td>
<td></td>
</tr>
</tbody>
</table>
Building Effective Legislative Body/Manager Relationships

- Roles
- Building and Maintaining Relationships
  - Teamwork
  - Facilitating Decision Making
- Communication Tips

Public policy Process

- Public Policy Problem
- Proposed Alternatives and Approved Solution
- Design Implementation
- Operate
- Determine Outcomes and Correct Course
Best Practice: Building Effective Decision Making through Building Common Culture

Public Value – The results the organization is trying to achieve for the community

Mission – What the organization does to create public value

Integrate into Operating Strategies – How the organization is going to accomplish its mission and deliver PUBLIC VALUE

- Regulate by...
- License to...
- Teach using...
- Enforce by...
- Increase XXX by...
- Reduce risk of YYY by...

Tip: Know and Support Your Council’s Decision Pattern

- Surprises handled in chunks giving time to process feelings
- Complex issues need at least three opportunities of Council deliberation
- Routine issues can be handled with minimum deliberation when Council is past early group development phases
Three Key Discussions

1st Discussion Outcome: Define decision question; confirm desired decision process and stakeholder involvement; explore information needs to reach decision.

2nd Discussion Outcome: Explore ideas for decision alternatives; receive/refine information needs; gather or receive stakeholder input; determine decision criteria or concerns that should be addressed in final decision.

3rd Discussion Outcome: Receive recommendation of staff and other advisors; Receive any final stakeholder input; Deliberation; Decision on preferred outcome and statements of reasoning and how stakeholder input was considered.

Best Practice: Incorporating effective public engagement into Decision Making

IAP2 Spectrum of Public Participation

Inform
Consult
Involve
Collaborate
Empower
To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.
To obtain public feedback on analysis, alternatives and/or decisions.
To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.
To place final decision-making in the hands of the public.
Tip: Your Council’s Interests Drive Reaching Agreement and Policy Decisions – Council Interests may not match staff decision criteria

Individual and Group Policy Interests
- Civic or Common Good; Public Value
- Council Group Goals/Priorities
- Election promises
- Passions
- Hot buttons

Relationship Interests
- Positive Council Working Relationships
- Election supporter’s expectations
- Allegiances in the community or region – neighborhood groups, fraternal or service organizations, board memberships
- Strong religious or political alignment
- Business or professional alliances

Personal Interests
- Higher office
- Status/Power
- Respect
- Financial reward or impact

Expressing individual interests provides a platform for effective negotiation that allow groups to arrive at decisions that are considered and respectful of its members, propelling their community forward.

“Quality public decision making is the art of finding the intersection between community and personal interests.”

Providing policy advise includes providing alternatives, the criteria used in making a recommendation and opportunity for community engagement.

Tip: Example Staff Report Format/Content - Bellevue

CITY COUNCIL STUDY SESSION ITEMS

March 13, 2017

SUBJECT
Progress update on the Bellevue Pedestrian & Bicycle Improvement Initiative

STAFF CONTACTS
David Berg, Director of Transportation

POLICY ISSUES
(Policy basis for the issue such as adopted strategic plans, laws, regulations and policies)

DIRECTION NEEDED FROM COUNCIL

ACTION   DIRECTION   INFORMATION ONLY

(Description of what is requested of the Council on the subject such as “Approve the attached ordinance.”)

BACKGROUND/ANALYSIS

ALTERNATIVES

RECOMMENDATION

ATTACHMENTS
Building Effective Legislative Body/Manager Relationships

- Roles
- Building and Maintaining Relationships
- Communication Tips

Seven Unspoken Council Assumptions

1. Managers hide money
2. Most Managers have their own personal agendas
3. Councils will not acknowledge personality conflicts as issues that affect their work with the Manager
4. I really want to choose my own Manager
5. It is a real pain to evaluate the Manager, we often have to look at ourselves
6. It is the Manager’s job to present issues so that I do not lose face
7. It is the Manager’s job to handle maverick Councilmembers

ICMA: Public Management Article, see last slide
Support a Healthy Relationship – Process and Communications **Best Practices**

**Lead by Example**

- Provide positive feedback – recognize success – have some fun
- Communicate early and often
- Establish and enforce a “no surprise” rule for your organization and its elected officials
- Demonstrate respect and empathy for the Council’s needs as a group and as individuals -- they have a hard job too
- Communicate about yourself – your interests, needs and health -- so you can be as fit as possible to lead the organization and the Council can support you

**Communicate with Integrity**

- Routinely work at agenda setting with the Mayor and at least one other member of the Council; establish an annual legislative agenda
- Communicate the same information to all Council members
- Communicate and define the “Public Value” being sought related to the issue at hand in all policy advice and public arenas – facilitates identifying common ground and potential compromise solutions
- Give your Council real options – don’t corner or box them in
- Always give your elected officials a recommendation – it can be a process recommendation instead of or in addition to a policy recommendation. Give them the criteria you used to decide so they can use it as a basis for making their decision.
- Tell the truth, no matter how ugly it is
- Know your implicit bias’s and implement strategies for addressing them -- communicating about bias with GB and organization
Tip: Define and Communicate Your “Expectations”

Expectations of yourself
- Professional Ethics
- Personal Code of Conduct and Accountability
- Relationship with the City Council (ex. No surprises, all of Council gets the same information)

Expectations of the organization
- Vision, Mission and Values
- Governing Principles
- Communication with citizens, advisory boards and elected officials
- Demonstrating Accountability

Expectations of the Mayor and Deputy Mayor
- Meeting Support and Agenda Development
- Emergencies
- Media relations

Expectations of the Council
- Code of Conduct
- Meeting etiquette
- Communication with the organization and Manager
- Annual Goals and Legislative Agenda
- Decision process – agenda format and content, agenda memos, public participation processes, agenda setting meetings, study session, regular session and public hearing guidelines

Tip: Support Formation and Communication of the Council’s “Expectations”

Expectations of Council Support and Conduct
- Council candidate and new Council member orientations
- Ethics Training
- Council Adopted Code of Conduct and Accountability Statement
- Meeting etiquette
- Regional representation guidelines
- Communication with the organization and Manager
- Decision making support and process – agenda format and content, agenda memos, public participation processes, agenda setting meetings, study session, regular session and public hearing guidelines

Expectations of the Manager and the organization
- Participate in formation and renewal of organization’s Vision, Mission and Values or Governing Principles
- Concurrency with organizational expectations for communication with citizens, advisory boards and elected officials
- Accountability reporting and reviews including Manager evaluation

Expectations of the Mayor and Deputy Mayor
- Meeting Planning and Agenda Development
- Emergencies
- Media relations
Questions?

Senior Advisor Contact Information
Regional Assignments – WCMA Website

Anne Pflug
WCMA Senior Advisor
AnnePflug@gmail.com
425-785-8557 (cell and text)
509-925-2608

Resources

ICMA –
*What Council’s Want from Managers but Do Not Tell Them*, Public Management September 1993

Harvard Implicit Bias Project --
https://implicit.harvard.edu/implicit/ Quizzes
Publication: *The Blind Spot*

Other --
*Working with Difficult Governing Board Members: Hints to help diagnose and address “the problem”*, request from Anne Pflug by email.

Decision Style Quiz:
Welcome to Washington
A guidebook for city managers

Land Use Planning & Economic Development

PRESENTED BY:
JOHN CAULFIELD
LAKEWOOD CITY MANAGER

Topics

- Washington State Enabling Legislation
- Basic Rules
- Who is Involved
- Economic Development Tools
Washington State Enabling Legislation

- Growth Management Act (GMA): Comprehensive Plan RCW 36.70A
- State Environmental Policy Act (SEPA) RCW 43.21C
- Shoreline Management Act (SMA) RCW 90.58
- (National Environmental Policy Act (NEPA) 42 U.S.C 4231 et seq.)
Washington State Enabling Legislation (cont’d)

- **Subdivision**
  - Long Plats
  - Short Plats
  - Boundary Line Adjustments
  - Binding Site Plans

- **Public Works**
  - Right-of-Way Permits
  - Site Development Permits

**Zoning Permits**
- Map & Text Changes
- Administrative Use Permits
- Conditional Use Permits
- Variances

---

Washington State Enabling Legislation (cont’d)

- **International Building Code (IBC)**
  - Building Permits
  - New Construction
  - Remodels
  - Change of Use
  - ADA Compliance

- **Critical Areas**

- **Energy Conservation**

- **Liquor & Gambling**

- **Marijuana**

- **Adult Family Homes**

- **Enhanced Services Facilities**

- **Mobile Fueling Services**
Basic Rules

- Open Public Meetings Act (OPMA)

- Appearance of Fairness
  - Quasi-judicial actions
  - Ex-parte communications

- Public Disclosure/Public Records Act (PRA)

Who is Involved...

- Public
- Elected officials
- Planning commission
- Other boards/commissions
- Cities and Counties
- Special purpose districts (Ports)
- Hearings Examiner
- Media

- Developers & Business Interests
  - Associate Development Organizations (ADOs)/EDBs
  - Chambers of Commerce
  - Downtown Associations

- State & federal agencies
  - Community Economic Revitalization Board (CERB)
  - Commerce
  - Community, Trade & Economic Development (CTED)
Economic Development Tools

**NO** - Tax Increment Financing (TIF)

**YES** - TIF-lite
- Local Infrastructure Financing Tool Program (LIFT)
- Local Revitalization Financing (LRF)
- Community Revitalization Financing (CRF)
- Hospital Benefit Zones (HBZ)

Economic Development Tools (cont’d)

- Public Development Authorities (PDA)
- Public Facilities Districts (PFD)
- Community Renewal Area (CRA)/Community Renewal Plan
- Opportunity Zones
Economic Development Tools (cont’d)

- Streamlined Permitting Process
- Competitive Fees
- Subarea Plan/PAO/EIS
- Zoning & Design Standards
- Housing Options & Choices
- Tax Incentives (e.g., no B&O tax)
- Multi-Family Tax Exemption
- Impact Fees (transportation, parks, fire, schools)
- Lodging Tax (Hotel/Motel)
- Workforce Development, Business Assistance, Business Development Programs & BREs

Economic Development Tools (cont’d)

- EB5 Regional Center
- Foreign Trade Zones
- New Market Tax Credits (NMTC)
- Innovation Partnership Zone (IPZ)
- Hub Zone Program
- Main Street Program
- Infrastructure Investment
  - Streets & Sidewalks
  - Utilities
  - Parks
  - LIDs & BIAs
  - Farmer’s Market/Public Markets
- Transportation Options
  - Commuter rail
  - Light rail
  - Bus service
  - Transit-oriented development (TOD)
  - Autonomous vehicles (coming soon?)
### Downtown Redevelopment - Examples

- Auburn
- Bellevue
- Bellingham
- Bothell
- Bremerton
- Burien
- Cle Elum
- Issaquah Highlands
- Kennewick
- Kent Station
- Kirkland
- Lakewood
- Lynnwood
- Mill Creek
- Mountlake Terrace
- Redmond
- Renton Landing
- Sammamish
- Sequim
- Snoqualmie
- Spokane
- Tacoma
- University Place

### Lakewood – Downtown Plan & Colonial Plaza

[Image of Lakewood plan and current/planned images]
Bremerton - Downtown

Bothell – Downtown
<table>
<thead>
<tr>
<th>Redmond</th>
<th>Burien</th>
<th>Issaquah Highlands</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Redmond Image" /></td>
<td><img src="image2" alt="Burien Image" /></td>
<td><img src="image3" alt="Issaquah Highlands Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mill Creek</th>
<th>Renton Landing</th>
<th>Snoqualmie</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image4" alt="Mill Creek Image" /></td>
<td><img src="image5" alt="Renton Landing Image" /></td>
<td><img src="image6" alt="Snoqualmie Image" /></td>
</tr>
</tbody>
</table>

*WCMA*  
Washington City County Management Association  
A State Affairs of WCMA
<table>
<thead>
<tr>
<th>Kent Station</th>
<th>University Place</th>
<th>Kirkland</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
<td><img src="image3.png" alt="Image" /></td>
</tr>
<tr>
<td><img src="image4.png" alt="Image" /></td>
<td><img src="image5.png" alt="Image" /></td>
<td><img src="image6.png" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Spokane</th>
<th>Auburn</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image7.png" alt="Image" /></td>
<td><img src="image8.png" alt="Image" /></td>
</tr>
<tr>
<td><img src="image9.png" alt="Image" /></td>
<td><img src="image10.png" alt="Image" /></td>
</tr>
</tbody>
</table>
2019 Legislative Time-Sensitive Housing Tools

HB 1406

Provides local sales and use tax credited against the state sales tax for the following affordable housing* investments:

- Acquiring, rehabilitating or constructing affordable housing
- Operations and maintenance of new affordable or supportive housing facilities
- Rental assistance
- Cities can issue bonds to finance projects
- Available in increments of 0.0073% or 0.0146% depending on the imposition of other local taxes and whether your county takes advantage of the credit.

*Projects must be for persons whose income is at or below 60% of the area median income (AMI)

Does not increase the sales tax for the consumer.

Timeline to Qualify for Credit:

- Pass resolution of intent by January 31, 2020

https://app.leg.wa.gov/billinfo/

2019 Legislative Time-Sensitive Housing Tools – HB 1923

*Cities can receive grants from the Dept. of Commerce for actions increasing housing capacity.

- If adopted by April 1, 2021, such actions are not subject to appeal under SEPA or the GMA.
- $100,000 for cities with a population > 20,000 who intend to adopt 2+ action list items.
  - Can apply for more if city can demonstrate extraordinary potential to increase housing supply or regulatory streamlining.
- Cities can receive up to $100,000 for a unique local housing action plan, provided that the plan meets criteria.

Deadline for grant = Action by April 1, 2021.

https://app.leg.wa.gov/billinfo/

Qualifying action list:

- Authorize a minimum net density of six dwelling units per acre.
- Authorize 50+ units per acre near commuter or light rail stations.
- Authorize 25+ units per acre near high frequency bus stops.
- In zones allowing single family homes:
  - Authorize a duplexes, triplexes or courtyard apartments
  - Authorize cluster zoning or lot size averaging
  - Authorize duplexes on all corner lots in SF zones
- Authorize accessory dwelling units (ADUs) with specific policy provisions.
- Adopt a SEPA subarea plan that leverages transit infrastructure or regional centers.
- Adopt a SEPA planned action that includes residential or mixed-use development.
- Utilize the SEPA infill authority to increase categorical exemption thresholds for residential or mixed-use development in areas not meeting planned density.
- Adopt form-based codes.
- Adopt optional maximum thresholds under the short subdivision process.
Thank you!

Questions?
Welcome to Washington
A guidebook for city managers

Employment Law and Labor Relations

PRESENTED BY
STEVE HALL
CITY MANAGER, CITY OF OLYMPIA

We’ll Discuss

• Collective Bargaining/Washington Labor Law
• Labor and Industries
• Workers Compensation Insurance
• Employment Security/Unemployment Insurance
• Risk Management
Washington Labor Law – Statuary Authority

1. Public Employees Collective Bargaining Act
   • The Washington state law governing collective bargaining for city and county employees is the Public Employees Collective Bargaining Act, RCW 41.56.

2. Public Employee Relations Commission
   • The Public Employment Relations Commission (PERC), is the administrative agency responsible for implementing the rules and regulations surrounding the collective bargaining process.

Collective Bargaining

There are three categories of bargaining subjects:

1. Mandatory – **wages, hours, working conditions**.
2. Permissive – not required but OK to bargain.
   (Be careful—once included, you have to bargain it away)
3. Illegal - (i.e. modifying PERS)
Collective Bargaining Rights

*Employee rights under the laws of the State of Washington include:*

- Two or more employees have the right to join together for the purpose of collective bargaining
- The right to associate with an established union or association for the purpose of representation and bargaining
- Supreme Court Decision – Janus
- Binding interest Arbitration

Prohibitions – Unfair Labor Practice (U.L.P.)

- “Direct dealing”: When the employer deals directly with employees in a bargaining unit regarding issues to be bargained
- Involvement in union affairs
- Unilateral changes in wages, hours or working conditions
- “Anti-union animus”: Firing or discriminating against employees for union participation
- Inappropriate influence by either city or union
- Bad faith bargaining or refusal to bargain by either city or union
Public Employment Relations Commission (PERC)

PERC is a state agency responsible for resolving disputes involving public employers and employees, and the unions that represent those employees.

Mission:
Prevent or minimize the disruption to public services by the impartial, timely and expert resolution of labor-management disputes.

• Responsible for resolving certain disputes between employer and union
• PERC will assign a mediator, or arbitrator
• The contract will usually spell out the process for arbitration
• Grievance arbitration is available to all unions (Interest arbitration only available to police and fire)
Public Employment Relations Commission (PERC) (cont’d)

Responsible for resolution of certain unresolved disputes between the employer and union.

• ULP’s: Assign a PERC Administrative Hearing Examiner to hold hearing.

• Interest Arbitration: When the parties are unable to come to agreement on final terms of collective bargaining agreement, a PERC Hearing Officer is assigned to make the final decision.

• Rights to Grievance Arbitration: Most collective bargaining agreements outline the grievance arbitration process. Most employers and unions either select an arbitrator or request a list of arbitrators.

Labor and Industries

L&I is a diverse state agency dedicated to the safety, health and security of Washington's 3.5 million workers.

L&I requires employers to:
• Have comprehensive and clear policies and programs regarding the many types of work activities required by employees; and
• Take employee complaints seriously.

Investigations by L&I can be costly and time intensive.

Bottom Line: Adopt clear polices and procedures
Workers Compensation Insurance (Workers Comp)

- Washington State is one of the four remaining monopolistic states where the state government is the insurer rather than private insurance companies.
- Employers with one or more employees must have workers’ compensation insurance.

Obtaining coverage

Two options:

1. Participate in the state insurance program
2. Meet standards set by Washington State to be a self-insured employer. (About 400 of the largest employers—including 20 cities—in Washington are self-insured.)
3. Olympia’s experience
Why Should You Care?

- **Employer pays** (either through premiums or self-insurance) cost of time off
- Employee can select their care provider from a list of approved L&I providers (city can also require review by city provider)
- From studies/experience: The quicker an employee returns to work (even light duty) the greater the chance of full recovery
- Employees classified by Workers’ Comp as full or partially permanently disabled receive benefits paid by insurance/employer (death benefits to eligible dependents)
- Vocational/rehabilitation benefits are paid by insurance/city

Employment Security

State agency that administers Washington’s unemployment-insurance system.

- Seasonal, temporary and/or terminated employees (including for cause) **may be eligible**
- Costs are assessed against employer
General Risk Management

Liability and Property Insurance

1. Pools (for example)
   - AWC Risk Management Service Agency (RMSA)
   - Washington Cities Insurance Authority (WCIA)
2. Self insurance (broker with self-insured retention); city handles claims
3. Fully insured plan (with deductibles); insurer handles claims

Personal Excess Liability Insurance

- $1-$2 million
- Rider on your Homeowners Policy—not expensive

Conclusion

- The vast majority of your expenses are related to your employees. You need to pay attention to how these areas are administered.
- Think about long term consequences of labor agreement language.
- Establish good processes for grievances, claims reviews, and follow your processes.
- There are good Third Party Administrators out there who can help.
- Ask MRSC/WCIA/Fellow Managers.
Thank you!

Steve Hall, City Manager
City of Olympia
360.753.8370
shall@ci.olympia.wa.us
Resources

Association of Washington Cities (AWC)
https://wacities.org

Municipal Research Services Center (MRSC)
http://mrsc.org

Washington City/County Management Association (WCCMA)
https://wccma.org