

Sweetened Beverage Tax Community Advisory Board Meeting Notes

MEETING SUMMARY	<p>Date: Thursday, January 4, 2018</p> <p>Time: 11AM – 1PM</p> <p>Location: Seattle Municipal Tower, 17th Floor, Room 1756 700 Fifth Ave, Seattle 98104</p>
MEMBERS PRESENT:	Ahmed Ali, Christina Wong, Jessica Jones-Smith, Jim Krieger, Laura Cantrell Flores (arrived at 12:20), Leika Suzumura, Lisa Chen, Mackenzie Chase
MEMBERS ABSENT:	Jessica Marcinkevage, Yolanda Matthews, Seat 11 – Vacant (Early Learning/Education Representative)
GUESTS:	Aaron Blumenthal (City Budget Office, CBO), Bridget Igoe (Office of Sustainability & Environment, OSE), Catherine Cornwall (CBO), Elizabeth Kimball (Public Health – Seattle & King County, PHSKC), Glen Lee (Finance & Administrative Services Department, FAS), Joseph Cunha (FAS), Nadine Chan (PHSKC), Sharon Lerman (OSE), Tara James (Human Services Department, HSD)

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Public Comment	No comments.
Introductions & Updates	<p>Board members introduced themselves by sharing their names and organizations. City staff introduced themselves by sharing their names and departments.</p> <p>N. Chan, Co-Principal Investigator of the Sweetened Beverage Tax Evaluation shared the following updates, by evaluation goal:</p> <ul style="list-style-type: none"> • <i>Goal: Assess tax implementation:</i> The evaluation team conducted a number of focus groups (FGs) with community members and key stakeholders. Community organizations like the Somali Health Board helped to coordinate 5 FGs with community members; 3 FGs were held at high schools (Cleveland, Garfield, and Rainier Beach), and another FG was conducted with the Atlantic Street Center. Additionally, at least 10 stakeholder interviews were conducted with small business owners, restaurants, distributors, Councilmembers, and the Finance & Administrative Services department. • <i>Goal: Determine tax effectiveness:</i> All store audits were completed at 400 retailers inside and outside Seattle city limits. The purpose of the store audits was to collect beverage price information before the tax. The Norms and Attitudes survey was completed inside Seattle; it will be repeated in a control area outside of Seattle before the end of the month. The Kids Cohort study completed 235 out of 300 intake surveys with Seattle families. Power calculations suggest this sample will be large enough to detect a statistical change. The Kids Cohort

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	<p>study is doubling its efforts to finish the surveys with families outside of Seattle.</p> <ul style="list-style-type: none"> • <i>Goal: Understand food security and access:</i> The evaluation team is working with food bank representatives and City staff to determine scope, capacity, and existing data assets available for the 2018 assessment. <p>Other updates/questions:</p> <ul style="list-style-type: none"> • There was a question from the Board about why there are 2-year and 4-year appointment terms for Board members. The term lengths are prescribed by the ordinance (Section 4) and the point of the staggering terms is so the entire Board does not need to be replaced at the same time. • There was a brief update provided by J. Krieger about industry activity now that the tax is in effect. Industry has been active. There is a campaign called Keep Seattle Livable For All and it encourages people to contact their Councilmembers. The campaign also distributed anti-tax materials to retailers. Retailers like QFC and Safeway have put up more objective information about the tax. A bigger concern is whether industry will try to preempt Seattle’s tax at the state level. Not aware of any specific preemption language yet, but tax supporters are closely monitoring this possibility.
Approve minutes from previous meetings	<p>The Board approved the draft meeting notes, with one change. As long as the Board comes to consensus, there is no need to indicate names and “level of agreement” when using tools like Fist to Five.</p> <p>B. Igoe will post approved notes on the Board website.</p>
Tax implementation and communications	<p>A. Blumenthal from the City Budget Office, representing the Mayor’s Office, responded to the Board’s letter RE: tax communications:</p> <ul style="list-style-type: none"> • The City appreciated the thoughtful letter and recognizes it has some opportunity to provide additionally information about the tax. • The City is actively working on several draft fact sheets/Frequently Asked Questions for different audiences. The materials are under review and will include information outlining where the revenue is going, as adopted through the 2018 budget process. • Information will be factual and will not speculate about changes in business behaviors or implementation of the tax itself. While the City cannot speculate on the outcomes of imposing the tax itself, it would be happy to provide more detail to the Board about the expected outcomes of programs funded by the tax, if requested. • The Finance & Administrative Services Department (FAS) has comprehensive information on its webpage for the taxpayers and has staff to answer questions from taxpayers.

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	<p>J. Cunha, Finance & Administrative Services Departments (FAS), provided an overview of FAS’s roles and responsibilities related to the beverage tax and its key implementation activities:</p> <ul style="list-style-type: none"> • FAS’s primary responsibility is to ensure compliance with tax law. To this end, FAS educates and disseminates tax information to the taxpayer, and onboards all taxpayers into the tax collection system. • FAS’s beverage tax implementation activities were focused on four key areas: <ol style="list-style-type: none"> 1. <i>System set-up so payers can file and pay the tax.</i> The tax is due on April 1 and the system is on track to be ready by March 1. 2. <i>Identification of the tax base.</i> FAS identified distributors within its business and occupation tax base system and also used additional techniques recommended by other cities with experience implementing sugary beverage taxes. FAS mailed two letters. The primary letter was to the taxpayers (distributors). A secondary letter was mailed to retailers (e.g. restaurants, convenience stores, small stores) to explain the tax was at the distributor level but also explained those instances where a retailer may be subject to the tax. 3. <i>Outreach.</i> FAS set-up the Sweetened Beverage Tax webpage in September. The webpage includes FAQs and information about the exemption and redistribution processes. 4. <i>Rule-making.</i> The rule-making process for this tax started in August and was completed in late October. FAS studied the Seattle Municipal Code for legal details about the beverage tax and identified areas that needed clarity. Additionally, FAS held stakeholder meetings with taxpayers to hear concerns and issues that needed to be addressed, and hosted public hearing at the end of September. • Since June, FAS has been participating on a monthly phone call with cities across the country that are implementing sugary beverage taxes, to learn best practices and tips. <p>Follow-up Q&A:</p> <ul style="list-style-type: none"> • Question: Other cities have found that infographic materials that stress benefits of tax is helpful. Is there an intent to produce that type of outward facing materials? Response: That message we are hoping can be conveyed in the material outlining what programs the tax revenue will support. • Question: Will there be materials that retailers can download? Response: Outside of the fact sheets and FAQs, the City is not considering additional materials or a specific public relations campaign.
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	<ul style="list-style-type: none"> • Question: Why isn't the City considering doing more to explain the tax to the consumer? Response: Our purpose is to communicate about the programs and services supported by the tax. • Question: Since the tax went into effect on Jan. 1, has FAS been receiving more questions about the tax? Response: There was a bit of an increase in questions in December, mostly about the redistribution process. <p>C. Cornwall said the City Budget Office will take the additional Board feedback and questions to the Mayor's Office and return to the Board with a more detailed response at the next Board meeting.</p>
Value and Ground Rules Work Group	<p>L. Suzumura presented draft Values and Ground Rules that she and Y. Matthews prepared, based on the output from the Board's December 8th workshop. Board members wrote comments individually, then shared feedback in pairs and as a group. By Jan. 19, the Values and Ground Rules Work Group (L. Suzumura and Y. Matthews) will incorporate the Board's feedback into a second draft for the Board to review.</p> <p>Notes from the group discussion are included below.</p> <p><i>Ground rules:</i></p> <ul style="list-style-type: none"> • City staff should be held accountable to the Board's ground rules; City staff should commit to the Board's ground rules • Once the Board approves its ground rules, it should review them often and have them readily posted, such as on the meeting agendas • Change "Balance between knowledge and intuition" to "Balance between knowledge and lived experience" • "Don't over-structure participation" <ul style="list-style-type: none"> ○ Clarified that has to do with the facilitator/chair not having to formally recognize a Board member before the Board member speaks in a meeting ○ Suggestion that this could be part of the bylaws (procedures for how to run a meeting). • Move "Take responsibility for your contributions" under the ground rule for Value Time <p><i>Values:</i></p> <ul style="list-style-type: none"> • "Balance between community-driven solutions and scientific evidence" <ul style="list-style-type: none"> ○ Suggestion to further define this so it is clear and understandable to anyone who reads it ○ This value gets at the recognition that there are innovative community ideas that that may not have been rigorously studied/may not be recognized broadly, but are important solutions to consider

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	<ul style="list-style-type: none"> ○ When defining it, could articulate a balance between evidence-based proposals and innovative proposals, which may come from community and its lived experience or from Board members or City staff. ● Suggestion to amend the Trust value to “Trust, cultivated by building and repairing relationships” ● Transparency and accountability <ul style="list-style-type: none"> ○ These need more definition and clarification – between whom? And for what? For example, are we transparent among ourselves? With the community and the public? Are we accountable to upholding our values? Getting the work done? ○ Suggestion to separate these out ● Suggestion to make “Voice of community” its own, independent value and then move “Center on communities impacted...” under Justice/Racial and Social Equity
Bylaws Work Group	<p>J. Krieger presented several recommendations related to the Board’s leadership structure. These recommendations were prepared with A. Ali and L.F. Cantrell, based on the output from the Board’s December 8th workshop.</p> <p>There was not enough time to discuss decision making structures. This topic will be resumed at the Jan. 19th workshop.</p> <p>While no final decisions were made, there was agreement on the following leadership structures:</p> <ul style="list-style-type: none"> ● Co-Chairs with equal authority ● Establishing the following ad hoc committees: Revenue Allocation and Community Engagement <p>Additional notes from the group discussion are included below.</p> <ul style="list-style-type: none"> ● Using Fist to Five, there was strong agreement for the Board leadership structure to have Co-Chairs with equal authority. ● There was a question about the rationale for having Co-Chairs facilitate Board meetings, rather than having staff or a third party facilitate. The work group reasoned Co-Chair facilitation was important for Board’s independence and autonomy. ● The work group asked if one-year or two-year terms for Co-Chairs. One person suggested the terms be for one year. ● The work group proposed the Board’s leadership structure include an executive committee composed of the co-chairs and standing committee chairs, with up to 5 members total. However, the need for an executive committee was questioned. Given the small size of the Board, an executive committee could easily constitute half the Board.

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	<ul style="list-style-type: none"> • There was discussion about whether the Board should establish standing committees or ad hoc committees. One person was hesitant to push too much of the work into committees if it meant deep discussion and deliberation would happen mostly in committees and not in full Board meetings. There was also a question about whether it was premature to establish standing committees. Ultimately, the Board favored ad hoc committees to start, but will draft bylaws so that forming standing committees is still an option, if deemed necessary in the future. An executive committee would only be considered if standing committees are created. • Two types of ad hoc committees were identified—Community Engagement and Revenue Allocation. An evaluation committee was briefly discussed, but when asked who might want to join such a committee, there were no volunteers. As a results, evaluation topics will be reserved for full Board meetings and an ad hoc committee will not be formed at this time. <p>By Jan. 19, the Bylaws Work Group (J. Krieger, A. Ali, J.F. Cantrell) will incorporate the Board’s feedback into a second draft for the Board to review.</p>
Jan 19th Workshop	B. Igoe will schedule a phone call with the Planning Committee (M. Chase, L. Suzumura, J. Krieger) to discuss the Jan. 19 th workshop.
DECISIONS MADE	N/A
ISSUES IDENTIFIED	The Board would like more information about the City’s rationale for its tax communications approach and why it is not considering a public relations campaign.

FOLLOW-UP ACTION ITEMS			
#	ITEM	RESPONSIBLE PERSON(S)	TARGET DATE
1	Reconsider and respond to Board’s recommendations RE: tax communications	City Budget Office staff	Jan. 19, 2018
2	Revise Values and Ground Rules and bring a second draft to Board	L. Suzumura, Y. Matthews	Jan. 19, 2018
3	Revise Leadership Structure and bring a second draft to Board. Continue working on Bylaws.	J. Krieger, A. Ali, L.F. Cantrell, B. Igoe (will aim to schedule a meeting week of Jan. 8)	Jan. 19, 2018
4	Provide input on Jan. 19 th Workshop	J. Krieger, M. Chase, L. Suzumura, B. Igoe (will aim to schedule a meeting week of Jan. 8)	Jan. 19, 2018