

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

May 19, 2008
8:00 p.m.

Council Chamber
Bellevue, Washington

PRESENT: Deputy Mayor Balducci and Councilmembers Chelminiak, Davidson, Lee, and Noble

ABSENT: Mayor Degginger and Councilmember Bonincontri

1. Call to Order

The meeting was called to order at 8:08 p.m., with Deputy Mayor Balducci presiding.

2. Roll Call, Flag Salute

Upon roll call, all Councilmembers except Mayor Degginger and Councilmember Bonincontri were present. Councilmember Lee led the flag salute.

(a) Asian Pacific American Heritage Month

Deputy Mayor Balducci read a proclamation recognizing the observance of Asian Pacific American Heritage Month in May. Councilmember Lee accepted the proclamation on behalf of Bellevue citizens.

3. Communications: Written and Oral

Christie Hammond, representing the Surrey Downs East Link Committee, thanked Deputy Mayor Balducci and Councilmember Davidson for their work with the Light Rail Best Practices Committee. She emphasized that neighborhood protection is a high priority for Surrey Downs and all areas within the community. She thanked the Best Practices Committee for working with residents and the City to identify and discuss key issues and concerns.

4. Reports of Community Council, Boards and Commissions

As a follow up to the March 12 City Council discussion, Arts Commission Chair Betina Finley reported that staff met with the Bellevue Arts Museum and KidsQuest Museum regarding

recommended allocations, in order to clarify their intended use of the funds. She displayed slides of the 140th Avenue public art project, which is nearly completed. Ms. Finley described the upcoming sculpture exhibit entitled Sculpted Green, which promotes green thinking and sustainability.

Arts Commission former Chair Roxanne Shepherd explained that arts priorities for the 2009-2010 Budget fall within three key areas: 1) Supporting artists who serve the community, 2) Creating a strategy to realize the vision for the Bel-Red arts district, and 3) Capitalizing on important one-time opportunities to build arts infrastructure. Chair Shepherd said the Arts Commission is asking the Council to make a policy decision by directing staff to identify funding for arts programming that is separate from Capital Investment Program (CIP) funds. Funding for Arts Commission priorities has not increased since 2001. Although the Cultural Compass was adopted in 2004, the only element of the plan that has received funding is public art. Ms. Shepherd thanked the Council for working with the Arts Commission to achieve its goals.

Responding to Councilmember Chelminiak, Ms. Shepherd said four Arts Commissioners voted in favor of having the City Council decide about continued funding to Bellevue Arts Museum and KidsQuest Museum.

Responding to additional inquiry from the Council, Deputy Mayor Balducci requested a written clarification of the Arts Commission's position on whether to fund BAM and KidsQuest.

5. Report of the City Manager

- (a) Update on Fox Glen Rezone Appeal (File Nos. 07-122520 LQ & 07-139482 LI)

[Item postponed at staff's request.]

- (b) Consideration of application of the Investment Group of Kirkland to rezone a 4.79-acre parcel at 12627 SE Coal Creek Parkway from R-2.5 to R-20 (20 units per acre). [Study Session Agenda Item 3(a)]

Land Use Director Carol Helland said final action on the Coal Creek Rezone is scheduled for June 2. The application represents an amendment and rezone that will reconcile the Comprehensive Plan with the land use designation of multifamily-medium. The Hearing Examiner recommends approval of the application.

- (c) Financial Management Policies – Fund Balance [Study Session Agenda Item 2(c)]

Finance Director Jan Hawn recalled that during the 2007-2008 Budget process, staff indicated they would return with a discussion of the fund balance policy within the context of changing to a modified accrual basis for the budget. She explained that fund balance is the difference between assets/revenues and liabilities/expenses in a governmental fund. Maintaining a fund balance enables the City to respond to unanticipated expenses and decreases in revenue, and to maintain stable tax rates.

Ms. Hawn reviewed the City's fund balance levels since 2001. The fund balance has historically been approximately 15 percent of General Fund revenues. Staff recommends adopting a policy to maintain a target 15 percent fund balance, which equates to roughly \$20 million based on the 2008 budget and \$23 million based on 2009 budget projections. Staff further recommends a policy stating that funds may be used to respond to an economic downturn, catastrophic disasters and unfunded state/federal mandates, and to avoid cash flow borrowing.

Ms. Hawn responded to questions of clarification.

Responding to Councilmember Noble, Ms. Hawn confirmed that a policy is in place regarding the use of rainy day reserve funds. However, there currently is not a policy specific to the fund balance.

Responding to Deputy Mayor Balducci, Ms. Hawn confirmed that the policy will take effect for the 2009-2010 Budget. It is the last step by Council to fully support moving to the modified accrual budget basis.

Responding to Councilmember Lee, Ms. Hawn said that under the recommended policy, the rainy day reserve and fund balance are combined and will seek to maintain a target level of 15 percent of the General Fund.

City Manager Steve Sarkozy highlighted Agenda Item 8(g) regarding a habitat restoration project along Kelsey Creek. He suggested pulling Agenda Item 8(i) for consideration at a later date.

6. Council Business and New Initiatives

Councilmember Lee reported on his trip to the Sister Cities of Hualien, Taiwan and Yao, Japan. Councilmember Bonincontri traveled to Hualien as well.

Councilmember Davidson reported on the Salmon Recovery Council's meeting.

Councilmember Chelminiak attended the opening of the Highland Center Skate Plaza. He attended meetings of the Probation Advisory Board and Bel-Red stakeholder groups. Mr. Chelminiak testified before the new state Economic Development Commission. In Mayor Degginger's absence, he attended the NORCOM meeting.

Councilmember Noble attended the Human Service Commission meeting, in which a public hearing was held for agency representatives to talk about their concerns, issues, and funding needs. Affordable housing and transportation services/infrastructure remain high priorities. He attended meetings of the Eastside Transportation Partnership (ETP) and a newly formed mental illness/drug dependency oversight board. Mr. Noble testified before the Washington Utilities and Transportation Commission regarding Puget Sound Energy's merger.

Deputy Mayor Balducci attended meetings of the Light Rail Best Practices Committee, Eastside Transportation Partnership, and the Puget Sound Regional Council (PSRC) Transportation

Policy Board.

7. Approval of the Agenda

→ Councilmember Noble moved to approve the agenda, removing Item 8(i). Dr. Davidson seconded the motion.

→ The motion to approve the agenda, as amended, carried by a vote of 5-0.

8. Consent Calendar

→ Councilmember Noble moved to approve the Consent Calendar, with the exception of Item (i). Councilmember Davidson seconded the motion.

→ The motion to approve the Consent Calendar, amended to remove Agenda Item 8(i), carried by a vote of 5-0, and the following items were approved:

(a) Minutes of May 5, 2008 Regular Session

(b) Motion to approve payment of claims for the period May 3, 2008 through May 16, 2008, and payroll for the period April 16, 2008 through April 30, 2008.

(c) Ordinance No. 5814 amending the Bellevue City Code to adopt certain mandatory provisions of the Business and Occupation (B&O) Tax; amending Section 4.09.077; and establishing an effective date.

Ordinance No. 5815 amending the Bellevue City Code to clarify that certain activities are exempt from the Utility Occupation Tax; amending Sections 4.10.020, 4.10.045, and 4.10.050; and establishing an effective date.

(d) Resolution No. 7741 authorizing execution of an Interlocal Agreement with the Washington State Department of Licensing for business license application processing services.

(e) Ordinance No. 5816 amending Section 23.11 of the Bellevue City Code, local amendments to the International Fire Code by adding a new Section 23.11.105.1.1.1 in order to re-establish Fire Code permit fees inadvertently omitted with the adoption of the 2006 International Fire Code.

(f) Resolution No. 7742 authorizing entering into an Indefeasible Right of Use Agreement (IRU) with Comcast of Bellevue, Inc., for use of approximately 700 feet of City-owned conduit along NE 1st Street, between 102nd Avenue NE and 100th Avenue NE.

(g) Motion to award Bid No. 8076 to Ohno Construction Company, in the amount of \$1,059,681.42, as the lowest responsible bidder for the West Tributary of Kelsey

Creek Habitat Restoration Project at Kelsey Creek Community Park. [CIP Plan No. P-AD-65]

- (h) Resolution No. 7743 authorizing execution of a professional services agreement with David A. Clark Architects in an amount not to exceed \$54,210 to provide a site analysis, schematic design, and cost estimating services for improvements to the Bellevue Golf Course Driving Range.
- (j) Resolution No. 7744 authorizing execution of an Interagency Agreement with King County Road Services Division, in an amount not to exceed \$15,000, for the inspection of 18 bridge structures owned and maintained by the City.
- (k) Motion to award Bid No. 8012 for Vuemont Vista Detention System Retrofit and Water Quality Facility, to Mosbrucker Excavating, Inc. as low bidder, in an amount not to exceed \$138,583.

Postponed:

- (i) Motion to approve funding proposed for 2008 Special Projects and Eastside Arts Partnership proposals. *[Discussed with Council on May 12, 2008.]*

9. Public Hearings

- (a) Initial Public Hearing on the 2009-2010 Budget and 2009-2015 Capital Investment Program (CIP) Plan *[Additional public hearings are scheduled for July 21 and November 17, 2008. Council action on the Budget will be scheduled for December.]*

Finance Director Jan Hawn indicated that state law requires that the City hold a public hearing prior to adoption of the Budget. This is the first of three public hearings to be held, with additional hearings scheduled for July 21 and November 17.

→ Councilmember Noble moved to open the Public Hearing, and Councilmember Chelminiak seconded the motion.

→ The motion to open the Public Hearing carried by a vote of 5-0.

The following citizens came forward to comment on the 2009-2010 Budget and the 2009-2015 Capital Investment Program (CIP) Plan:

- (1) Hal Ferris noted he is a member of the Planning Commission, Co-Chair of the Urban Land Institute Workforce Housing Committee, and a board member for both Common Ground and St. Andrew's Housing Group. Mr. Ferris is employed as a principal with a private development firm that focuses on mixed use, urban infill projects. He thanked Councilmembers for their public service. Mr. Ferris asked the Council to consider a substantial increase in funding for ARCH (A Regional Coalition for Housing). ARCH

coordinates the efforts of multiple cities to create affordable housing, and its work has been recognized with national awards. Contributions to ARCH from Bellevue and others has decreased during the past 10 years, while construction costs continue to escalate. The cost of creating one multifamily unit is approximately \$250,000. Mr. Ferris reiterated the need for more affordable housing.

- (2) Rachel Krefetz, representing the Housing Development Consortium, explained that the lack of affordable housing on the Eastside threatens families and increases traffic and commute times. She thanked Bellevue for its ongoing support of ARCH projects. However, the Housing Development Consortium urges Bellevue to: 1) Reevaluate the City's housing assistance goals, which guide funding assistance and have not been revised since 1999, and 2) Consider a dedicated funding source for the ARCH Housing Trust Fund. The Consortium is working to encourage all ARCH member cities to consider these strategies.
- (3) Leslie Lloyd, Bellevue Downtown Association, described downtown residential and employment growth, which is part of the vision outlined in the City's Downtown Implementation Plan. The BDA will provide input on its funding priorities throughout the City's budget process. Ms. Lloyd thanked Councilmembers for their hard work and dedication.
- (4) Shannon Boldizar, Bellevue Chamber of Commerce, noted Bellevue's recent recognition in Fortune Small Business magazine as the best place in the United States to live and launch a business. The magazine was initially drawn to Bellevue, in part, by its low tax rates. Ms. Boldizar stated that the primary priority of the local business community for the City is maintaining a budget that is fiscally responsible, financially stable and sustainable. Core services (e.g., public safety) should continue to be funded without new revenue in the operating budget. Ms. Boldizar asked the Council to engage the business community in the budget process. She encouraged the Council to review the budget comprehensively to analyze the implications of potential tax and fee increases.

→ Councilmember Noble moved to close the Public Hearing, and Councilmember Chelminiak seconded the motion.

→ The motion to close the Public Hearing carried by a vote of 5-0.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions: None.

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 9:28 p.m., Deputy Mayor Balducci declared the meeting adjourned.

Myrna L. Basich
City Clerk

/kaw