

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

June 16, 2008  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Degginger, Deputy Mayor Balducci and Councilmembers Bonincontri, Chelminiak, Davidson, and Lee

ABSENT: Councilmember Noble

1. Executive Session

Deputy Mayor Balducci called the meeting to order at 6:00 p.m. and declared recess to Executive Session for approximately 20 minutes to discuss one item of potential litigation and one item of property acquisition.

The meeting resumed at 6:29 p.m. with Mayor Degginger presiding.

2. Study Session

(a) 2009-2010 Budget – Early Outlook

City Manager Steve Sarkozy opened staff's presentation providing a general framework for the 2009-2010 budget process.

Jonathan Swift, Budget Manager, reviewed the budget schedule:

- July 14 – Budget Workshop
- July 21 – Second Budget Public Hearing
- October 13 – Budget Workshop
- October 27 – Preliminary Budget Overview
- November 3 – Full Financial Forecast
- November 10, 17 and 24 – Budget Review Sessions
- November 17 – Third Public Hearing
- December 1 – Budget Adoption.

Mr. Swift presented the early outlook forecast, which provides the financial framework within which the Council can determine budget direction. Development activity is projected to remain strong in 2009, but to taper off in 2010. Job growth is expected to slow in 2009, followed by moderate growth through 2014. Growth in the downtown will generate increased tax revenue, as well as increased service demands and overall operating costs. The overall outlook is increased inflation, declining home sales and property values, and a national recession.

Resources that are expected to grow are sales tax and B&O tax collections due to development activity and increases in utility service fees. Telephone utility tax collections will continue to decline. The early outlook projections estimate a surplus of \$2.4 million in 2009 and continuing surpluses through 2014. Key budget expenditures are inflating personnel and utility costs, state pension costs, and NORCOM participation costs. However, NORCOM partnership will reduce the City's communications center costs over the long term.

Mr. Swift said staff will continue to monitor the impact of growth, external mandates, increasing inflation and energy costs, the slowing housing market, the national economy, and Utilities expenditures related to wastewater treatment, water supply, aging infrastructure, and regulatory mandates. The Development Services fund is strong in the short term. However, a slowdown in development is anticipated within the next few years. Reserves are performing as expected through the development cycle. The subsidy from the General Fund to the Parks Enterprise Fund remains at approximately \$100,000 per year, and no budget investments in this area are proposed.

Councilmember Lee thanked staff for the update. He encouraged a review of salaries and overall employee compensation/benefits. In addition, he feels it is important to consider the short-term budget and long-range financial plan together to continue to manage and plan effectively.

Mr. Sarkozy noted that the budget process will involve a comprehensive review of salaries and benefits as well as all areas of budget allocations.

Responding to Councilmember Bonincontri, Mr. Swift said the CPI-W factor is used to determine salary increases, which have a significant impact on the resetting of the budget. Staff's forecast assumes a 3.4 percent inflation rate for salaries and wages, which is higher than what regional economists are projecting. In further response, Mr. Swift provided examples of federal and state legislation that have had budgetary impacts for the City.

Deputy Mayor Balducci thanked staff for the update. She commented on the importance of continuing to monitor King County's budget process, which involves discussions about service reductions in criminal justice programs. This would potentially direct an additional number of cases to be handled by City staff. Service demands associated with population growth will have a budgetary impact as well.

Dr. Davidson noted the role of the Environmental Services Commission in reviewing utility rates and making recommendations to the Council.

(b) Downtown Projects Update

Transportation Director Goran Sparrman noted that downtown transportation projects involve other functions within the City including Planning and Community Development, Parks, and Utilities.

Nancy LaCombe, Capital Program Manager, said the five components of Bellevue's Mobility Initiative are: 1) Operations, including traffic signals and traffic timing, 2) Transportation and Transit Plan update, 3) Concurrency standards, 4) Neighborhood protection, and 5) Capital Needs.

Ms. LaCombe reviewed downtown transportation projects. The NE 8<sup>th</sup> Street project between 106<sup>th</sup> and 108<sup>th</sup> Avenues has been delayed until at least the end of the year due to environmental processes. Pedestrian improvements are planned for 110<sup>th</sup> Avenue NE. Funding for the downtown circulator service has been approved, and the City is working with Metro toward an implementation date in 2010. Additional projects include parks (e.g., Meydenbauer Bay, Ashwood), wayfinding, public art, civic services (e.g., downtown fire station, municipal court, community center), and the NE 4<sup>th</sup> Street extension project.

Ms. LaCombe described the following projects: 1) NE 6<sup>th</sup> Street/Pedestrian Corridor improvements, 2) NE 2<sup>nd</sup> Street widening, 3) NE 2<sup>nd</sup> Street and Main Street improvements including the potential widening of Main Street and the addition of open space/gateway elements, 4) Mid-block crossings throughout downtown, 5) Bike lanes in multiple locations including Main Street, NE 12<sup>th</sup> Street, 108<sup>th</sup> Avenue NE, 100<sup>th</sup> Avenue NE, and potentially 112<sup>th</sup> Avenue NE, and 6) Great Streets pedestrian, landscape, and artwork elements. Targeted Great Streets include portions of NE 8<sup>th</sup> Street, NE 4<sup>th</sup> Street, Bellevue Way, 106<sup>th</sup> Avenue NE, and 108<sup>th</sup> Avenue NE. Ms. LaCombe described 108<sup>th</sup> Avenue NE improvements to create a multi-modal corridor.

Responding to Councilmember Chelminiak, Mr. Sparrman recalled discussion five to six years ago regarding an idea to create one-way couplets using 106<sup>th</sup> and 108<sup>th</sup> Avenues NE. Additional analysis during the intervening years did not identify significant benefits to traffic flow. However, Mr. Sparrman concurred with Mr. Chelminiak's observation that it could enhance the pedestrian experience. The current planned improvements to 108<sup>th</sup> Avenue NE would not preclude the implementation of one-way couplets in the future.

Councilmember Lee thanked staff for the presentation and expressed support for the Great Streets concepts. He feels there could be a stronger emphasis, however, on improving overall mobility and addressing the demands of both pedestrian and vehicle access. He questioned the selection of mid-block crossings. Mr. Sparrman explained that four of the 40 potential mid-block crossings will be completed initially, and more could be done over time. Mr. Lee is not convinced that four crossings will enhance pedestrian mobility.

Ms. LaCombe described the analysis upon which the selection of the four initial mid-block crossings was based, as well as the rationale for the remaining potential crossings. At some locations, developers have indicated their intent to add a mid-block crossing themselves. Other locations are not feasible at this time due to ongoing construction activities.

Dr. Davidson expressed concern that the capacity for vehicular traffic and street parking is decreasing due to the addition of bike lanes, transit, and aesthetic features. Mr. Sparrman acknowledged the challenge of balancing vehicle, transit, and pedestrian needs as the downtown urbanizes.

Ms. Balducci concurred with Dr. Davidson's position about the importance of maintaining and enhancing the flow of traffic. She questioned the process used to select the four mid-block crossings to be implemented first.

Mr. Sparrman said staff has discussed these projects with the Transportation Commission. Ms. LaCombe said discussions with the Transportation Commission were more extensive, and staff did discuss the reasoning and process used to select the first mid-block crossing locations. The Commission indicated general approval of the four locations.

Responding to Mayor Degginger, Mr. Sparrman explained that the Pedestrian Corridor is in an interim status pending the acquisition of right-of-way to develop the corridor as desired.

Mr. Chelminiak suggested updating the Planning Commission regarding the mid-block crossings.

Responding to Councilmember Bonincontri, Mr. Sparrman said staff will continue to update and refine the Downtown Projects List provided on page SS 2-23 of the meeting packet.

Deputy Mayor Balducci noted the increasing involvement of downtown residents as the residential population grows. She suggested neighborhood outreach activities to work with this growing community.

Mr. Sparrman confirmed that Transportation staff will work with Cheryl Kuhn, Neighborhood Outreach Manager, to interact more proactively with downtown residents. He further confirmed Council's interest in formal recommendations from the Planning Commission and Transportation Commission for selected projects.

At 8:00 p.m., Mayor Degginger declared recess to the Regular Session.

Myrna L. Basich  
City Clerk

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