

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

October 27, 2014
6:00 p.m.

Conference Room 1E-108
Bellevue, Washington

PRESENT: Mayor Balducci, Deputy Mayor Wallace¹, and Councilmembers Chelminiak, Lee, Robinson, and Stokes

ABSENT: Councilmember Robertson

1. Executive Session

The meeting was called to order at 6:08 by Mayor Balducci, who presided. There was no Executive Session.

2. Oral Communications

- (a) John Tiscornia expressed support for more bike paths/routes in Bellevue and noted past plans for bike lanes on 108th Avenue in his neighborhood. Rather than complain, he decided to start working with the City's transportation department to advocate for bike paths. He asked the City to look to the future in providing bike facilities. He thanked the City's street cleaners as well as staff who maintain bike trails. He asked the Council to commit additional resources to the Pedestrian-Bike Plan.
- (b) Alex Zimmerman, StandUP-America, expressed his displeasure with the Police Department, City Council and City Manager. He noted he has been asking for months that the City Manager hold public forums. He said the government is corrupt and officials are criminals. He is not happy with the King County Council. He said the Democrats do not support women. He said the one-party system is not good. He is not a Republican or Democrat but follows common sense.
- (c) Doug Hoople commented on the new traffic light at Bellevue Way and 108th Avenue SE near the bicycle path. He questioned the rationale for the flashing yellow left-turn arrow for southbound traffic between 4:00 p.m. and 6:00 p.m. He doubts anyone would be able to make that turn during that time period. He liked that the intersection previously had a green turn. He said there is now a backup queue for cars wanting to turn left, and there is

¹ Deputy Mayor Wallace left the meeting at 7:37 p.m.

only one northbound lane on Bellevue Way. One good thing is that, when the light turns green, northbound traffic on 108th Avenue SE now has a way to make the corner and merge into traffic. Mr. Hoople suggested that the light should have been at the next intersection between Bellevue Way and 112th Avenue SE. He said he never saw an announcement to request public input before the signal was installed.

Mayor Balducci asked the City Manager to direct staff to work with Mr. Hoople regarding his concerns.

- (d) Carl Vander Hoek commented on parking. He said the meeting materials include a statement that the Downtown parking option to explore paid parking is not recommended by staff because the Downtown Livability Initiative is scheduled to conduct a study to address parking. He said the study is not funded or scheduled, and the CAC did not recommend consideration of a paid parking model. He noted existing studies, one for Downtown Park and one focused on Old Bellevue. Staff is recommending increased monitoring of parking at Downtown Park. Mr. Vander Hoek said there is no enforcement in the park, and he does not believe that monitoring will address the problem.
- (e) Marty Nizlek recalled past discussions about the Ordinary High Water Mark (OHWM) within the context of the Shoreline Master Program. He said it is important that King County continue its maintenance to lower the lake level to avoid continued erosion and impacts to vegetation that cannot tolerate so much water. He said that, from 1965 to 1995, the U.S. Corps of Engineers' OHWM was exceeded an average of 50 days annually. The U.S. Corps of Engineers does not plan on changing its OHWM. He thanked the Council for its vote to lower the OHWM in the proposed SMP.

Mayor Balducci noted that the Council Business and New Initiatives item was not on the agenda. She said she wanted to take some time to allow Councilmember Robinson to comment on the Startup Weekend Bellevue event.

Councilmember Robinson thanked Mayor Balducci for attending and Councilmember Lee for his welcome of attendees at the event. She said there was diversity, energy, capability, intelligence and the sharing of ideas throughout the weekend. Activities took place at City Hall from Friday night through Sunday, with the final event at Bellevue College on Sunday night. She said the weekend was well received by those who participated. Ms. Robinson thanked Chris Salomone and Planning and Community Development staff for their work on this event.

Councilmember Lee said this was a great opportunity for entrepreneurs to collaborate and learn from each other. He thanked everyone who made the event possible.

Mayor Balducci said she looks forward to future similar events as part of the City's economic development strategy.

3. Study Session

(a) Introduction of the Preliminary 2015-2016 Operating Budget and 2015-2021 Capital Investment Program (CIP)

City Manager Brad Miyake introduced the Preliminary 2015-2016 Operating Budget and 2015-2021 Capital Investment Program (CIP) Plan. He said the budget responds to the Council's long-term vision for the community as well as near-term priorities including economic development, diversity, increased regional involvement, and preserving and enhancing neighborhoods.

Mr. Miyake said the budget maintains service levels and financial reserves, and fulfills the City's debt obligations. He noted that citizen surveys continue to indicate a high level of satisfaction with City services and programs and overall quality of life. The budget is designed to maintain the high level of services to citizens, especially in the critical areas of transportation and public safety. It also begins to respond to the City's critical and time-sensitive infrastructure needs.

Earlier this year, the Council received a number of staff presentations on the City's growing capital needs and had a number of robust discussions on this topic. The budget continues to fund critical capital infrastructure in transportation, utilities, parks and automated systems, as well as the highest priority projects identified in a recently completed Fire Facilities Master Plan. The capital budget also funds a new, yet-to-be determined neighborhood enhancement.

The budget proposes a five-percent property tax increase that begins to accelerate the highest priority capital projects identified by both the Council and the community. It also sets aside an undesignated pool of funds available to the Council for capital project opportunities. Lastly, discussions will be continued into the next year on the longer-term financial strategy requested by the Council to address the growing list of capital needs not currently included in the CIP Plan.

Mr. Miyake highlighted key components under each Budget Outcome area. The Safe Community Outcome includes three detective positions, the court facility, and the top three Fire Facilities priorities including the training center.

Mr. Miyake said the Healthy and Sustainable Environment Outcome proposes lower utility rate increases, funds the Environmental Stewardship Initiative, and addresses federal NPDES (National Pollutant Discharge Elimination Systems) regulations.

The Innovative, Vibrant and Caring Community Outcome includes the Bellevue Diversity Program, Bellevue Fire Cares program, dental program for low-income individuals, and park projects (i.e., Downtown Park, Meydenbauer Bay Park, and Surrey Downs Park).

The Quality Neighborhoods Outcome includes Newport Way sidewalk improvements along one side of the road, West Lake Sammamish Project Phase 2, and the new proposed Neighborhood Enhancement Program.

The Economic Growth and Competitiveness Outcome implements the Economic Development Strategy, funds broadband and community connectivity, explores the Grand Connection to the Wilburton area, and ensures that permit fees match the cost of providing permit review and inspection services.

City Manager Miyake said the Improved Mobility Outcome is the largest Outcome with investments totaling \$131 million. Highlights include projects that allow for cost savings by coordinating with light rail construction (e.g., Spring Boulevard, 120th Avenue NE and 124th Avenue NE). It also funds NE 6th Street Station access improvements and the Downtown Transportation Plan.

The Responsive Government Outcome represents 25 percent of the Operating Budget and ensures high-performance government that is open and transparent and seeks innovative solutions. This Outcome responds to the Council's strategic target areas including hearing-assistive technology, enhanced resources for intergovernmental relations, staff succession planning, and organization development related to the One City focus. The budget adheres to the Council policy of maintaining assets by establishing the Enterprise Application Reserve needed for fiscal prudence to provide for the replacement of key existing automated systems.

Finance Director Jan Hawn briefly highlighted the Budget One guiding principles. She presented the Council calendar for budget discussions of specific topical areas (e.g., Operating Budget, Fire transport fees, Development Services Fees, Utilities rates, and the CIP Plan). The third and final public hearing on the budget is scheduled for November 17. Council adoption of the budget is anticipated for December 1.

Mayor Balducci said that all of the Council's budget discussions are taking place during public meetings. She said this is the most important activity of the Council.

Mr. Miyake encouraged Councilmembers to call or email staff in advance of Council meetings with questions or requests for additional information.

Toni Rezab, Assistant Director of Finance, presented the financial forecast. She said Bellevue home prices have rebounded from the recession faster than the rest of the country. The unemployment rate is 4.5 percent and office vacancy rates continue to decline. Ms. Rezab said spending habits have changed and individuals are spending a lower percentage of their income than they were in 2007, which impacts sales tax revenue.

Ms. Rezab said budget risks include the growth of service needs, costs of maintaining and operating new infrastructure, legislative and regulatory mandates, impacts of the Affordable Care Act, LEOFF I funding beyond 2018, and the scheduled end of the annexation sales tax credit in 2022.

Ms. Rezab said the total operating and capital budget is \$1.47 billion. She noted that many resources are dedicated to specific expenditures. The 2015-2016 Operating Budget totals \$953 million and includes the General Fund, Utilities Funds, Development Services Fund, Parks Enterprise Fund, and Internal Service Funds. Special Purpose Funds (e.g., restricted money dedicated to specific purposes including grants, donations, debt service, Firemen's Pension and Housing Fund) total \$52.5 million, and two-year Capital Investment Funds total \$466.6 million.

Ms. Rezab highlighted expenditures by Outcome in the overall Operating Budget. New items in the 2015-2016 Preliminary Operating Budget include implementation of the Economic Development Strategy, three Police detectives, broadband fiber and cable franchise program, technology hardware and software for Utilities mobile workforce, the Diversity Initiative, dental services for low-income residents, the Bellevue Fire CARES program, and power stretchers.

Councilmember Lee questioned how this economic recovery compares to past situations. Ms. Rezab said the forecast is based primarily on two economic forecasting organizations' data. The City also compares itself to Washington State, King County, City of Seattle and neighboring jurisdictions. Ms. Rezab said Bellevue's B&O and Sales tax revenues makes up one-third of the General Fund revenue stream. B&O and Sales tax revenues would need to grow by three percent to see a one percent increase in total revenue.

In further response to Mr. Lee, Ms. Rezab said the City collects approximately \$50 million annually in sales tax. In 2015, the projected sales tax increase results in collections of approximately \$55 million.

Councilmember Chelminiak said he likes the price-of-government modeling presented in the Executive Summary. It depicts the percentage of a household's income that is paying for government services.

Mr. Chelminiak said he would like to see what portion of a citizen's property tax bill actually goes to the City. With regard to the sales tax, if a person spends \$100 on shopping in Bellevue and pays \$9.60 in sales tax, how much of that goes to the City? He suggested that would be helpful information for the public because much of it goes elsewhere and not to the City. He said it would be helpful if the same calculation could be made for the B&O tax.

Councilmember Robinson recalled previous discussion about seeking County funding for the Fire Department's Bellevue CARES program. She questioned what the program provides and whether efforts have been made to secure funding.

Ms. Rezab said staff will bring back more information for the next discussion.

Deputy Mayor Wallace observed that current development activity will result in increased sales tax and B&O tax revenues. Responding to Mr. Wallace, Ms. Hawn said the Council will discuss how to handle any surplus revenues, should they occur. There is currently approximately \$15 million in short-term debt. Ms. Hawn confirmed that one option for surplus revenues could be to pay down the debt. She said that, right now, CIP dollars are programmed to repay the short-term debt.

Planning Director Dan Stroh presented an overview of the 2015-2021 General Capital Investment Program (CIP) Plan, which totals \$529 million over seven years. It uses long-term debt to finance appropriate projects and reflects \$25 million in proposed new revenue and new investments. The City has a strong policy of maintaining existing facilities before building new ones. He noted that capital projects include those to support or coordinate with the Sound Transit light rail project. The CIP funds debt obligations, ongoing maintenance, new Council priorities,

transportation and mobility needs, Parks Levy projects, neighborhood investments, initial elements of the Fire Facilities Plan, City contributions through the East Link memorandum of understanding (MOU), and general government responsibilities.

Mr. Stroh highlighted park investments in the Preliminary CIP Plan including parks renovation and refurbishment, park planning and design, park and open space acquisition, Airfield Park, Bridle Trails Neighborhood Park, Surrey Downs Park, Downtown Park, Inspiration Playground at Downtown Park, and Meydenbauer Bay Park.

Mr. Stroh highlighted transportation and mobility investments including the annual overlay program, major maintenance program, neighborhood traffic safety, Downtown Transportation Plan, NE 4th Street extension project, 120th Avenue NE projects, Spring Boulevard, Ped-Bike improvements, neighborhood sidewalks, West Lake Sammamish Phase 2, complete Newport Way sidewalks on one side of road, and continued ITS (Intelligent Transportation System) master plan implementation.

Neighborhood investments include a new Neighborhood Enhancement Program, Neighborhood Partnerships, design and construction of one side of the Newport Way sidewalk project, West Lake Sammamish Phase 2 design and partial construction, Ped-Bike access improvements, neighborhood sidewalks, enhanced ROW and urban boulevards, and the public art program.

Additional CIP highlights include the renovation of public safety facilities, initial components of the Fire Facilities Plan, Community Connectivity (broadband), Grand Connection/Wilburton new vision, relocation of district court, expansion of the City Hall east garage, and East Link light rail MOU commitments.

Mr. Stroh said the Preliminary CIP includes the strategic use of new long-term debt funded through the existing CIP revenue stream. This approach accelerates the completion of key projects and takes advantage of low interest rates. It also makes \$36 million in revenues available at the end of the CIP Plan (2020-2021), which is programmed to meet critical capital projects that are not as time-sensitive (e.g., Rebuild Fire Station 5, West Lake Sammamish Parkway Phase 2 partial implementation, Spring Boulevard westbound, and the remainder of Spring Boulevard Zone 1).

Mr. Stroh described revenue enhancement options. The Preliminary Budget includes \$25 million in added revenues through a five-percent increase in the City property tax. This translates to a less than one percent increase in residents' overall property tax. It would generate \$1.7 million annually or \$25 million in bonded revenue over 20 years. This proposal stems from ongoing Council discussions about the gap between available revenues and unfunded needs. The funding could be made available early in the CIP Plan to fund critical and time-sensitive projects. A five-percent increase in the City property tax would be an increase of \$25 per year for a home valued at \$500,000.

Mr. Stroh referred the Council to the tab in the budget binders called Spotlight on the CIP Enhancement. The Preliminary Budget's Enhanced Revenue Proposal advances key priorities including the Community Connectivity project (broadband), critical neighborhood projects (e.g.,

West Lake Sammamish Parkway Phase 2 design, Newport Hills sidewalks on one side), and the Downtown Transportation Plan (NE 6th Street Station access). In addition, it creates an Opportunity Fund of \$8.5 million to be available for unexpected and/or smaller projects.

Mayor Balducci thanked staff for their work. She noted, for the public, that there have been a number of discussions by the Council to date leading to the City Manager's presentation of the Preliminary Budget tonight. She said she appreciates the proposed revenue enhancement proposal for the Council's consideration.

Councilmember Stokes encouraged the Council to keep the long-term vision and objectives in mind such as the performing arts center. He believes it is important to push ahead with the broader vision for Bellevue in 2035.

Councilmember Robinson said she knows there are concerns among elderly residents about property taxes, especially given that many are living in a modest two-bedroom house on a \$1 million piece of property. She noted that the State and County have programs that exempt and/or provide deferral options for property taxes. She asked that this information be made available to Bellevue residents. She said perhaps The Bellevue Network on Aging could help in distributing that information to the community.

Deputy Mayor Wallace said it is important to keep in mind that many non-City portions of the property tax will increase. State legislation regarding education funding could have a significant impact on property taxes.

Mr. Wallace observed that the Preliminary Budget contains three layers: base budget, addition of \$60 million in debt, plus \$25 million in new debt to be supported by the five-percent property tax increase. He questioned how decisions about which projects to put in each layer were made.

City Manager Miyake said the decisions reflected in the Preliminary Budget are based on past Council discussions and input regarding high priorities, including public safety and fire facilities. With regard to the five percent increase in the property tax, those recommendations are also based on past discussions with the Council as well as input from the community.

Mr. Wallace observed that the Preliminary Budget identifies programs and priorities for funding if additional revenue is available. He would prefer to see it identified as a reserve/contingency for the Council to discuss. He said he has some lingering questions from discussions in the summer. Mr. Wallace said the Preliminary Budget is very good and well presented. However, he believes there are transparency issues with respect to the fact that the base budget is funding very expensive projects sooner than the City would do so if not for the East Link light rail project. He said the budget is proposing to raise the property tax in order to fund light rail-related projects first, thereby deferring neighborhood projects.

Councilmember Chelminiak opined that projects in the Bel-Red corridor related to light rail were originally identified not because of light rail, but to plan for high-capacity transit. The City developed the Bel-Red Plan to attract transit projects. He said there are many good reasons for

completing the Bel-Red road projects, including the recruitment of higher education opportunities and facilities.

Mr. Chelminiak noted that many of the transportation projects include bike and sidewalk facilities, which he sees as appropriate base CIP investments.

Mr. Chelminiak said he would like to understand the total City debt if debt backed by a property tax increase is added.

With regard to projects on 120th Avenue NE and 124th Avenue NE, Deputy Mayor Wallace said the budget does not clearly show that there is an assumption that Sound Transit is going to pay the City to complete the projects. He said there is currently no agreement regarding the contribution of funds for those projects or for City Hall parking garage reconstruction. He said it would be helpful to have an itemization of the projects, the total cost of each project, and which portions will be paid by Sound Transit versus the City.

[Deputy Mayor Wallace left the meeting at 7:37 p.m.]

Councilmember Lee observed that the Bel-Red Plan was not created to attract any particular business but to conduct land use planning.

Councilmember Chelminiak recalled that the original maps from the Sound Transit 1 and 2 plans showed the light rail lines passing over Bellevue with minimal stops and being routed along SR 520 to the Overlake and Redmond areas. It was determined that deliberate planning and rezoning could attract light rail stations throughout the Bel-Red corridor to serve Bellevue residents and stimulate redevelopment.

Councilmember Stokes said the Bel-Red corridor will be one of the largest developments on the West Coast. The City has an obligation to meet traffic needs related to the overall Bel-Red Plan and its connection to the Downtown. Mr. Stokes said he has a great deal of confidence in the Mayor, Deputy Mayor and City staff who are working with Sound Transit to achieve a good resolution to cost sharing. He cautioned against basing decisions too heavily on a negative view of what might happen.

Responding to Councilmember Robinson, Ms. Rezab said she believed that LED street lighting is all or partly grant funded. She will clarify and provide the information to the Council.

Mayor Balducci said important priorities are those that are time-sensitive and/or are underway for short-term completion. She said the City deliberately developed the Bel-Red Plan with high-capacity transit in mind and to revitalize the area and promote development and redevelopment. This assumes the commitment to infrastructure investments needed to support projects that will have significant benefit for the City. She said completing Bel-Red road projects in the near-term will save money as they are completed in conjunction with light rail construction. She believes it is appropriate to have these projects in the City's base budget.

Ms. Balducci thanked Department Directors, Finance Department staff, the staff Results Teams, and department staff for their work on the budget.

At 7:45, Mayor Balducci declared a break. The meeting resumed at 7:57 p.m.

(b) Regional Issues

(1) Briefing on the King County Veterans and Human Services Levy

Joyce Nichols, Director of Intergovernmental Relations, introduced staff's presentation on the King County Veterans and Human Services Levy. She noted that Emily Leslie, Human Services Manager, and Alex O'Reilly, Human Services Planner, participate in many regional forums to represent the City's interests.

Ms. Nichols introduced two King County staff to provide the presentation: Adrienne Quinn, Director of the Department of Community and Human Services, and Marcy Kubbs, Veterans and Human Services Levy Coordinator.

Ms. Quinn noted King County staff and representatives of the Veterans and Human Services Levy Oversight Committee in the audience. There are three divisions within the Department of Community and Human Services: 1) mental health and substance abuse, 2) developmental disabilities, and 3) community services, which includes housing, domestic violence, employment, senior adult and other programs. The majority of the department's work is mental health related. The Veterans and Human Services Levy money is available for targeting specific needs within the community. Many or most other areas of the department's budget have funding that is very specifically restricted (e.g., grant funding).

Ms. Quinn presented maps depicting income levels throughout King County and the geographic distribution of low-income, disabled veterans.

Ms. Kubbs said the original six-year (2006-2011) levy was passed by 58 percent of voters in 2005 and served 128,000 clients. The levy was renewed in 2011 by a vote of 69 percent of the voters and provides \$15 million to \$18 million per year. The primary goals of the 2012-2017 Levy are to: 1) prevent and reduce homelessness, 2) reduce unnecessary criminal justice and emergency medical system involvement, and 3) increase the self-sufficiency of veterans and vulnerable populations.

Ms. Kubbs described the programs and services provided by the levy, including military family outreach services at Bellevue College, the King County Veterans Program services (Together Center), and three Eastside locations for the treatment of post-traumatic stress disorder (PTSD). She described two housing projects in Bellevue, the Low Income Housing Institute apartments in the Downtown and Imagine Housing at Andrew's Glen for veterans in the Factoria area.

Ms. Kubbs noted the Downtown Action to Save Housing (DASH)-Evergreen Court apartments in Bellevue and described the mobile medical van provided by Congregations for the Homeless. Behavioral Health Integration Services are provided at the Eastgate Public Health Center, which

serves 7,000 clients annually, and family programs under the levy served more than 14,000 clients in 2013. The latter programs on the Eastside include Play and Learn, Cultural Navigator, and Healthy Start. She noted an increase in homeless youth on the Eastside and in intravenous drug use.

Ms. Kubbs said the levy involves two citizen oversight boards: Veterans Citizen Oversight Board and Regional Human Services Citizen Oversight Board.

Ms. Nichols noted that Councilmember Stokes heard this presentation during the meeting of the Regional Policy Committee and he requested a presentation to the Council.

Councilmember Stokes said this is a good example of a levy that focuses on critical needs, produces good outcomes, and has a high level of accountability. He feels it is a good success story of effective human services. He noted that Councilmember Robinson and Mayor Balducci have previously heard the presentation as well. Mr. Stokes said human services fits into the City's economic development strategies as well.

Councilmember Robinson questioned the concentration of veterans in South King County and why services are not more targeted there.

Ms. Quinn said the concentration might be due to the proximity to Joint Base Lewis-McChord as well as the availability of more affordable housing. With regard to the location of services, the dots on the maps are the offices for agencies. However, they typically provide services in other areas. She said staff is currently evaluating whether services are in the right places. She noted the suburbanization of poverty over time which highlights the need for providing more services outside of the larger cities.

Councilmember Chelminiak recalled that the Council received a presentation the previous week from the Bellevue Human Services Commission. He questioned how the City's funding meshes with the Veterans and Human Services Levy funding.

Ms. Leslie said the mental illness and drug dependency sales tax and the Veterans and Human Services Levy are two important funding sources for the nonprofit agencies that Bellevue also supports. She noted that Councilmember Robinson serves on the Mental Illness and Drug Dependency Oversight Committee. For some of the capital projects funded by the levy, the City of Bellevue is helping to fund the operating costs of those organizations. Bellevue is a strong supporter of family services, and the Cultural Navigator program was founded on the Eastside and has been replicated in South King County with funds from the Veterans and Human Services Levy.

Councilmember Lee thanked staff for the presentation. He questioned whether Bellevue is providing its share of funding assistance. Ms. Leslie recalled that the City received approximately \$1 million in requested assistance that it could not fund. She said the needs always exceed available funding, and the Human Services Commission is forced to make very difficult decisions.

Ms. Quinn said that most agencies have some level of funding from King County and the City of Bellevue. Mr. Lee acknowledged that human services needs cross borders and he wants to be sure Bellevue is doing its share.

Mayor Balducci said she appreciates the effectiveness of the levy funding. She is alarmed by the increase in heroin use, and she questioned what is being done to address this issue. She said individuals struggling at that level indicate a serious mental health, human services, and public safety problem.

Ms. Balducci thanked everyone for the presentation and the oversight committee members for their work. She noted that Doug Hoople has served on Bellevue's Human Services Committee and is a strong advocate for veterans services and issues.

(2) Briefing on the Puget Sound Emergency Radio Network (PSERN)

Mr. Miyake introduced the briefing on the Puget Sound Emergency Radio Network (PSERN).

Interim Fire Chief Mark Risen described the history of public safety radio communications in the region, which became one system approximately 20 years ago. That system is now outdated and in need of replacement, and the vendor is stopping the sale of replacement parts and repairs by the end of 2018. The King County Executive is coordinating a regional effort to present a levy measure next year to fund a replacement system.

Chief Risen said the Council will be asked in the near future to provide input regarding interlocal agreements to fund and manage the system. The four entities involved in the radio communications network are the Eastside Public Safety Communications Agency (EPSCA), Valley Communications Center (ValleyCom), City of Seattle, and King County.

Chief Risen introduced Dave Mendel, King County's Radio Communications Project Manager, to provide more details on the PSERN proposal.

Mr. Mendel said this is the most comprehensive, complex, and expensive project by King County this decade. The current countywide network was approved by a 1992 county ballot measure for a property tax increase. The system is nearly 20 years old, and the vendor is eliminating the sale of parts and repair of equipment by end of 2018. The network has approximately 16,000 radios, and 80 percent of the users are first-responders. The remaining 20 percent of users represent general government, school districts, utilities, transportation, hospitals, and emergency management entities.

Mr. Mendel said the capacity of the current system to handle calls is strained during high activity periods, and the risk of system failure increases as time goes by. He said there is no viable alternative to replacing the radio network. Cell phones are not reliable and do not provide the dispatch function of a radio network.

Mr. Mendel said the informal steering committee's members are Chair Fred Jarrett, Deputy King County Executive; Bill Kehoe, Chief Information Officer, King County; Kurt Triplett, Kirkland

City Manager and representative for EPSCA; Lora Ueland, Executive Director, ValleyCom; and Patti DeFazio, City of Seattle Department of Information Technology.

Mr. Mendel said King County is near the end of its system vendor procurement process and is currently in negotiations with the system vendor. The total project cost is estimated at roughly \$225 million. The intent is to finance the system through an April 2015 countywide levy lid lift ballot measure to generate 6.5 to 7 cents in property tax per \$1,000 AV over nine years.

Mr. Mendel said the project will involve two interlocal agreements: 1) network contracting, deployment, and testing with King County as lead and oversight by a joint board, and 2) the creation of a new nonprofit organization to own and operate the system with a Board made up of four voting members. He said the goal is to have a contract with the vendor before presenting the ballot measure so the County Council and voters know exactly what they are being asked to fund.

Mr. Mendel described the procurement process. He said an architecture and engineering consultant was selected this month. The system vendor contract is anticipated in November, followed by preliminary site design work from November 2014 to June 2015. King County reserves have been used to cover initial costs, and full project funding is anticipated through an April 2015 ballot measure. Radio system implementation is targeted for September 2017 to April 2020. The system's anticipated life is 20 years to 2040.

Responding to Mayor Balducci, Mr. Mendel said current planning does not include reserve funding for the next system beyond 2040. Mayor Balducci said there should be a plan to set aside reserve funding. Mr. Mendel said the contract includes an update and upgrade provision, so it will be updated incrementally over time.

Responding to Mayor Balducci, Mr. Mendel said the Puget Sound region works together to keep the current equipment maintained but it is becoming obsolete. He said there will be a 15-month period of transitioning from the old system to the new system.

Ms. Balducci suggested it might be helpful to consider ways to move to a different technology in the long term, beyond the next 20-year system. Mr. Mendel concurred that new technologies will likely be available to explore.

Councilmember Stokes said he has been involved in two discussions on this topic through the Sound Cities Association. He said he and others expressed concern about meeting the April 2015 date for the ballot measure. He thanked Mr. Mendel for the presentation.

Responding to Councilmember Chelminiak, Mr. Mendel said there is no specific criteria regarding in-building coverage. However, the system design calls for stronger signals at street level and the base of buildings, which will improve radio coverage inside buildings.

Chief Risen noted there will never be 100 percent coverage. Councilmember Chelminiak questioned coverage in rural and mountain areas. Mr. Mendel said Highway 2, I-90 and Highway 410 will have significantly improved coverage over today's system. Coverage in the

mountainous areas will be about the same as today. Mr. Mendel said the overall coverage and quality of communications, including the size of the coverage area, will be better than today's system.

Councilmember Lee said technology is important to him and to the City. Responding to Mr. Lee, Mr. Mendel said the current system vendor is not ending its business. However, they will stop supporting the existing radio system.

Councilmember Lee encouraged exploring other technologies, including less expensive ones. He expressed concern about investing in another system that might also become obsolete. Responding to Mr. Lee about other jurisdictions, Mr. Mendel said the rest of the country is using the same system that King County plans to implement.

Mr. Lee questioned the funding source to date. Mr. Mendel said King County is essentially borrowing from its own reserves to get the project going. The funds will be repaid with approval of the levy.

Councilmember Lee said he likes the regional model. He believes the planning and decision process needs to be transparent. He said he would like to see how the Council's questions and feedback will be incorporated and addressed, as a regional partner. He said the Council will need more details about the system and the ballot measure.

In further response to Mr. Lee, Mr. Mendel said he will provide more detailed information in the near future. The interlocal agreement will respond to issues that have been raised as well.

Mayor Balducci thanked staff for the presentation.

(3) State and Federal Legislative Updates

[Provided in online meeting packet.]

Councilmember Lee said he will be attending the National League of Cities conference in Austin in November. He said it would be helpful to have input from the Council about priorities and interests.

(4) Monthly Council Summary Background Briefings of King County
Regional Committees and Puget Sound Regional Council (PSRC)

[Provided in online meeting packet.]

(5) East Link Light Rail Project Update

Transportation Director Dave Berg provided the East Link project update. He highlighted the East Link schedule, which includes a South Bellevue Final Design Open House in early November. The East Link baseline milestone is December. The Downtown Final Design Open House is slated for second quarter 2015, and the Overlake-Redmond Final Design Open House is

anticipated during fourth quarter 2015. Utility relocations will begin in 2015, and tunnel construction will begin in late 2015 or early 2016.

Mr. Berg said the project's shoreline substantial development permit and shoreline variance permit will be issued in early November. Bel-Red design and mitigation permits are anticipated in November as well. Remaining permits will be issued in 2015 and beyond; these include design and mitigation permits for other segments of the alignment as well as right-of-way, clearing and grading, utilities, and building permits.

Mr. Berg reported that the Light Rail Permitting Citizens Advisory Committee (CAC) is working to complete advisory documents for submittal to the Council. He noted that extensive information is available on the City's internet site.

Chris Salomone, Director of Planning and Community Development (PCD), provided an update on Sound Transit's Operations and Maintenance Satellite Facility (OMSF). He recalled that the design charrette was held on September 5, and stakeholder open houses were held September 18, October 9 and October 27.

Mr. Salomone presented conceptual drawings of the three primary options under consideration. Additional ideas and proposed mitigation measures were discussed during the session earlier in the day and those are not reflected in the drawings. The conclusion at the end of today's session was to schedule some informal meetings with the Sound Transit Board and the City Council to provide an opportunity for the stakeholders to present their ideas.

Mr. Salomone said the stakeholders groups support option A-2 known as the Mitigated BNSF site, which moves the facility closer to the BNSF rail right-of-way and moves 120th Avenue slightly to the east.

Mr. Salomone said the Sound Transit capital committee meets on November 13, and the Sound Transit Board meets on November 20. There is the potential that a panel of the stakeholders will be allowed to speak to the Board during the November 20 meeting.

Responding to Mayor Balducci, Mr. Salomone said a written report of the stakeholder meetings is being prepared.

Councilmember Stokes questioned the rationale for deciding against option B. Mr. Salomone said Metro provided a timeline and budget for its part of the project with a high cost (\$250 million) and the first phase to be completed in 7-8 years.

Mayor Balducci said the Council needs to be kept informed on this project. The City has a number of specific interests that are relevant in siting the OMSF, including transit-oriented development (TOD) and adhering to the Bel-Red Plan. She questioned whether there is any assurance that the City will receive what it needs. She expressed concern about the potential cost sharing between Sound Transit and the City as well. She said the solution cannot be that the City and private development will cover the costs.

Mr. Salomone acknowledged that the City's development agreement with the initial developer in the area is a statutory obligation that needs to be addressed.

Councilmember Chelminiak reiterated his ongoing concern that this is the wrong location for the OMSF, and Sound Transit should honor the City's Bel-Red vision. He said this cuts a massive hole in the Bel-Red Subarea Plan, and the City needs to know exactly how the project will look and affect redevelopment.

Councilmember Lee concurred regarding the importance of maintaining and fulfilling the vision for the Bel-Red corridor.

Mayor Balducci reported on the Sound Transit-Cities Elected Team meeting that she, Deputy Mayor Wallace, City Manager Brad Miyake and Deputy City Manager Kate Berens attended on October 23. Additional attendees were King County Executive Dow Constantine, Everett City Councilmember Paul Roberts and Issaquah Mayor Fred Butler. The group's discussions are facilitated by an independent party. Key issues identified included the OMSF, Bellevue's concerns about preserving the implementation of the Bel-Red Plan, and cost sharing.

Ms. Balducci said Sound Transit places a high value on certainty in its schedule and the ability to continue moving forward. Three more meetings are scheduled before the end of the year, and the Council will be updated on an ongoing basis.

Responding to Councilmember Stokes, Mayor Balducci said there was discussion about the need to revisit the existing memorandum of understanding (MOU) established between the City and Sound Transit. There have been significant changes and developments in Sound Transit's plans since the first cost-sharing agreement.

Councilmember Chelminiak questioned the timeframe for receiving data requested from Sound Transit. Mr. Berg said Sound Transit has not established a timeframe and is still working on cost estimates.

Councilmember Chelminiak said he is concerned about the timing of when Sound Transit releases its project costs. He said the City needs to do its own work and might need to bring out some of the ARUP (consultant) information to the public to address the issues.

Responding to Councilmember Lee, Mayor Balducci said the team communicated to Sound Transit staff that Bellevue needs certain information in order to address and resolve issues.

Responding to Councilmember Stokes, Mayor Balducci said the Sound Transit-Cities Elected Team will be discussing cost-sharing in the near future. Her impression is that everyone on the team is committed to resolving the issues. However, she is concerned about the schedule.

Councilmember Stokes thanked the Mayor and Deputy Mayor for their participation on the Team.

At 9:42 p.m., Mayor Balducci declared the meeting adjourned.

Charmaine Arredondo
Deputy City Clerk

/kaw