

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Special Meeting
Legislative Breakfast

January 4, 2011
7:30 a.m.

Conference Room 1E-112
Bellevue, Washington

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

ABSENT: None.

1. Welcome and Introductions

Mayor Davidson called the meeting to order at 7:42 a.m. and welcomed the following state legislators in attendance:

41st District

Senator Steve Litzow
Representative Judy Clibborn
Representative Marcie Maxwell

48th District

Senator Rodney Tom
Representative Ross Hunter
Representative Deb Eddy.

Mayor Davidson thanked the legislators for attending and acknowledged the budget challenges faced by the state. He noted that transportation and economic development projects are top priorities for Bellevue, as well as for the rest of the state. Key transportation projects are Phase I express toll lanes on I-405 and early implementation of the 124th Avenue and 148th Avenue ramps on SR 520.

Senator Tom observed that education, jobs, the economy, and the state budget will be the key focus of the legislative session. He commented on the importance of keeping personnel costs (e.g., salaries, pensions, health insurance) under control at the state level, and noted his expectation that cities do the same.

Representative Hunter reported that there is a proposal to sell medical marijuana at state liquor stores, which could generate annual revenues of approximately \$217 million. He commented on

the need to restructure the state's budget and revenue model. He said he now has a better understanding of state, county and local governments; and it is important for each layer of government to cooperate in making the overall system work most effectively. As an example, he noted the overlap in human services between the three layers, and suggested that human services are most appropriate as county and local services.

Returning to the issue of medical marijuana, Councilmember Chelminiak said it was placed on Bellevue's legislative agenda because bills are being proposed. He noted a split among cities about how to proceed with regard to where it can be sold. Some favor allowing it to be sold from residences. However, Bellevue is interested in considering zoning and land use regulations to designate where it could be sold.

Representative Hunter said he mentioned the issue because it is on Bellevue's legislative agenda. He explained that in every legislative session there are bills that never receive a hearing. He suspects that this issue will fall into that category this year. However, perhaps it could be considered as a revenue source if it appears that it would not be challenged by the federal government. He agrees that it is not a good idea to have such businesses operating from private residences.

Representative Maxwell reiterated that the state legislature will be looking carefully at core services and the budget. She noted her work in education, which she feels relates directly to economic development. Transportation issues remain high priorities as well.

Councilmember Degginger concurred with the inherent link between education, especially higher education, and economic development. He asked the legislators to comment on budget reductions related to education.

Representative Maxwell said that universities and community/technical colleges have issues of accountability and efficiencies that the state legislature hopes to work on. The universities conduct research and bring in federal dollars. She feels it will be necessary to address tuition flexibility as an option for sustaining universities and enabling them to continue to thrive. She acknowledged that access through grants should be considered as well.

Senator Tom suggested looking at how to leverage technology and other tools in higher education. He noted that 19 percent of credit hours in the state are completed online. Issues with K-12 need to be addressed as well. He favors targeted budget reductions and adjustments rather than across-the-board cuts.

Deputy Mayor Lee questioned how UW-Bothell and City University fit into the picture. Ms. Maxwell said that City University is a private school, and the state has partnered with it for some scholarships. Bellevue College is now a four-year college and the third largest in the state.

Representative Hunter suggested considering combining UW-Bothell and Cascadia Community College to gain efficiencies.

Representative Clibborn concurred with the importance of the priorities that have already been mentioned. She said the transportation budget has not been publicized as much as some of the

other areas of the state budget. The forecast model over the past several years over-estimated revenues. However, the model has finally been changed. Nickel gas tax and TPA projects continue to move forward, but there will be no new projects in the coming years. Ms. Clibborn commented on the difficult issue of identifying new revenues, especially at a time when the populace is opposed to new taxes. She observed that WSDOT will need to reduce staffing by as much as 800 employees. This will push work into the private sector.

Ms. Clibborn said the state won one of every five arbitration cases. Legislation is proposed to require that the state's ability to pay be taken into consideration in these cases. With regard to transportation, Ms. Clibborn said that private-public partnerships have been used in states that do not have a gas tax. However, this is not politically popular within the House. She is working on developing a study to demonstrate how some transportation projects could be financed through public-private partnerships (e.g., tolling).

Senator Litzow noted that he is new to the legislature, and that the past six months on the Mercer Island City Council was painful in terms of budget and staffing cuts. He envisions more of the same with the state legislature. He noted his interest in proposed legislation regarding arbitration and public records. He feels there is an abuse of public disclosure laws in terms of the high volume of requests to certain agencies.

Representative Eddy commented that the state budget is opaque compared to the greater level of transparency in local government budgets. She said the proposed arbitration legislation would require that arbitrators use better apples-to-apples analyses when comparing to cases in very different states/jurisdictions. Ms. Eddy said she is interested in addressing tort liability and the scope of liability for governments with regard to traffic accidents alleged to be caused by design flaws. She acknowledged that this is a controversial issue, however. Ms. Eddy noted her interest in renewable energy as well.

Deputy Mayor Lee spoke to economic development, and the Council's interest in expanded tools for infrastructure financing that support new jobs and economic development. Representative Hunter commented on two related bills that are not expected to move forward this session.

Councilmember Wallace commented on the need for expanded freeway capacity. He described the City's plans for the Bel-Red corridor, which dovetails with the I-405 Master Plan and overall growth and economic development goals. He noted that the City's transportation plans involve a significant amount of money that cannot be financed solely by Bellevue and its taxpayers. Mr. Wallace noted his, but not necessarily the Council's, interest in reducing the cost of transportation projects by eliminating the construction sales tax, reviewing prevailing wage requirements, and addressing environmental requirements and costs.

Representative Hunter asked Mr. Wallace which taxes he would suggest raising to help fund projects. Councilmember Wallace said that he personally would like to see HOT lanes move forward with some sort of match from statewide revenues. He suggested taking a new look at the gas tax, noting that the only viable funding options appear to be the gas tax and tolling.

Representative Clibborn feels there are opportunities for statewide transportation dollars between now and 2013.

Councilmember Balducci commented on tolling, noting her concern that this revenue source not become one that is used for general projects and/or into the long-term future. Bellevue is interested in ensuring that tolling revenues are dedicated to investments within the corridor collecting the tolls. Ms. Balducci said there are concerns among citizens about how tolling will affect regional traffic patterns. She noted that Councilmember Degginger served on the King County Regional Transit Task Force, which developed recommendations about services and costs, and this is referenced in Bellevue's legislative agenda.

Councilmember Chelminiak reiterated Bellevue's interest in spending tolling revenues within the collecting corridor. He said the other concern is that, as new revenue becomes available, the new revenue from Bellevue taxpayers could be potentially spent elsewhere. As another issue, Mr. Chelminiak stated his personal perspective that while the Yarrow Bay project is a good one, it creates transportation demand and triggers significant transportation investments. He wondered whether the long-term societal costs justify this type of project. He opined that growth projects should be focused in areas with multi-modal transportation.

With regard to human services, Mr. Chelminiak expressed concern about pushing this responsibility to local governments, noting that they do not have sufficient resources. Bellevue serves on the Eastside Human Services Forum, whose priorities include funding adult day services, Housing Trust Fund, Washington Families Fund, and the 211 network. Mr. Chelminiak noted recent newspaper coverage about concerns with adult family homes and said he anticipates that this will impact state and local governments.

Representative Hunter said the state will enhance the oversight of adult family homes, and there will be a fee to cover the cost of these oversight activities.

At 8:47 a.m., Senator Tom, Representative Hunter, and Councilmember Balducci left the meeting.

Councilmember Robertson encouraged the legislators to protect the City's cost sharing and to avoid unfunded mandates. She noted her interest in the arbitration legislation as well.

At 8:50 a.m., Mayor Davidson declared the meeting adjourned.

Myrna L. Basich
City Clerk

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