

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

December 1, 2014
8:00 p.m.

Council Chamber
Bellevue, Washington

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

ABSENT: None.

1. Call to Order

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

2. Roll Call, Flag Salute

All Councilmembers were present. Councilmember Robinson led the flag salute.

3. Communications: Written and Oral

- (a) Alex Zimmerman, representing StandUP-America, reiterated his ongoing request that the City Manager hold a monthly question and answer session with the public.
- (b) Joe Rosmann provided an update on the Washington State Recreation and Conservation Funding Board's (RCFB) October 30, 2014 decision to postpone action on the City's request to approve a Land Conversion Plan in Mercer Slough Nature Park. He said the City recently requested that the Board approve an exchange of six acres of land purchased by the City earlier this year, located within the park, to compensate for Sound Transit's permanent conversion of the slough lands along Bellevue Way and 112th Avenue SE. Mr. Rosmann said the Board expressed reservations about the appropriateness of placing Sound Transit's light rail facility in a federally protected park and wetland. He said it is not too late for the City to change course and preserve the park. Mr. Rosmann submitted his comments in writing, along with a DVD recording of the RCFB meeting of October 30, 2014.
- (c) Charles Voelker said a group of property owners formed in January and listed their block of joint properties for sale to test market conditions. The group received interest in the site for an assisted living facility, hotel, or medical office development. However,

development is not feasible under the 1 FAR (floor-area ratio) provision. Mr. Voelker said the zoning is not conducive to development. He said one developer commented that the 70-foot building height limit does not make sense with the 1 FAR. The property is north of Overlake Hospital between 116th Avenue and I-405. Mr. Voelker asked the Council to seriously consider increasing the FAR to stimulate development. Mr. Voelker submitted his comments in writing (titled 1920 Club Case Study).

- (d) Jean Magladry said she is a member of the 1920 Club. She recalled that, on July 8, 2013 the Council acknowledged the need to review the zoning of the properties described by Mr. Voelker. The property owners are concerned that a change in the FAR and building height regulations will not occur this year. She asked the Council to address these issues. She observed the parcels would be a good location for senior housing because it is near the hospital and other services.
- (e) Charlotte Weigel spoke regarding the 1920 Club parcels and concurred with the previous two speakers. She urged Council to address zoning and height requirements to encourage development consistent with the Council's vision.

Mayor Balducci asked the City Manager to provide information on when this might be reviewed.

- (f) Lori Taylor, Director of the Bellevue Farmers Market, thanked the Council and City staff, including former economic development manager Tom Boydell, for their support of the market. She thanked Mike McCormick Huentelman, Neighborhood Outreach Manager, and his staff as well. Ms. Taylor provided a report on this year's farmers market. Attendance was up 33 percent on Thursday, with vendor sales up 29 percent. Saturday attendance was up 14 percent, with vendor sales up 18 percent. Total sales were \$980,798 and combined attendance was 59,284. Ms. Taylor thanked Sterling Realty Organization and Madison Marquette for the Saturday market's use of Compass Plaza. Madison Marquette provided garbage, recycling, water, electricity, restrooms, and assistance from their staff. David Schooler let the market use the corner of the SRO parking lot and provided storage space for equipment. SRO required a parking attendant on site during market hours, the cost of which was covered by Joe Vilardi of Bis on Main. The market features educational booths as well.
 - (g) Marty Nizlek noted that he serves on the Board of the West Lake Sammamish Association and is a member of the Washington Sensible Shorelines Association. He said he attended the earlier Study Session, and he thanked the Council for continuing to discuss the Shoreline Master Program Update. He suggested a number of revisions to the SMP package, which are summarized in a handout that he submitted to the Council.
 - (h) Robert Kilian said he has lived in Bellevue for 55 years and he recently moved to the Downtown. He expressed concerns regarding future growth including traffic impacts. He is concerned about creating concrete canyons and wind tunnels as well as the loss of sunlight. Mr. Kilian does not want Bellevue to lose its sense of place.
4. Reports of Community Council, Boards and Commissions: None.

5. Report of the City Manager: None.

6. Council Business and New Initiatives

Councilmember Robinson reported that she attended a celebration for the completion of the Coal Creek Culvert project. The project completed transportation, utilities, and parks facilities including a pedestrian underpass and enhanced trail access. The Muckleshoot Tribe donated 150 Coho salmon that were placed in the stream. Councilmember Robinson congratulated everyone who worked on the project.

7. Approval of the Agenda

→ Deputy Mayor Wallace moved to approve the agenda, and Councilmember Stokes seconded the motion.

→ The motion to approve the agenda carried by a vote of 7-0.

8. Consent Calendar

→ Deputy Mayor Wallace moved to approve the Consent Calendar, and Councilmember Stokes seconded the motion.

→ The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved:

(a) Council Meeting Minutes

Minutes of September 30, 2014 Joint Meeting with City of Redmond

Minutes of November 3, 2014 Study Session

Minutes of November 3, 2014 Regular Session

Minutes of November 10, 2014 Extended Study Session

(b) Resolution No. 8835 authorizing execution of all documents necessary to implement settlement of the lawsuit for personal injury damages filed by Won Kyung Kim against the City.

(c) Resolution No. 8836 authorizing the execution of the ORCA agreement with King County for the purchase and distribution of the annual 2015 ORCA cards to City employees.

(d) Resolution No. 8837 authorizing execution of a General Services contract of up to four years with Canber Corporation, in an amount not to exceed a contract total of \$193,016.60, for landscaping services at 10 Fire Station sites.

(e) Resolution No. 8838 authorizing execution of a General Services Contract with Malone's Landscape Management for landscaping services at various park sites

and facilities for an initial two-year term in an amount not to exceed \$33,187.54, with the option to renew for an additional two years in an amount not to exceed \$33,187.54 plus any State-mandated prevailing wage increase and/or City approved special or unanticipated market condition that does not exceed the Consumer Price Index (CPI-U, Seattle-Tacoma-Bremerton) for the most recently completed calendar year.

- (f) Resolution No. 8839 authorizing execution of a General Services contract with Badgley's Landscape for landscaping services at various street tree and arterial landscape sites, for an initial two-year term in an amount not to exceed \$36,423.20, with the option to renew for an additional two years in an amount not to exceed \$36,423.20 plus any State-mandated prevailing wage increase and/or City approved special or unanticipated market condition that does not exceed the Consumer Price Index (CPI-U, Seattle-Tacoma-Bremerton) for the most recently completed calendar year.
- (g) Resolution No. 8840 authorizing execution of a General Services contract with Signature Landscape Services for landscaping services at various street tree and arterial landscape sites, for an initial two-year term in an amount not to exceed \$31,715.20, with the option to renew for an additional two years in an amount not to exceed \$31,715.20 plus any State-mandated prevailing wage increase and/or City approved special or unanticipated market condition that does not exceed the Consumer Price Index (CPI-U, Seattle-Tacoma-Bremerton) for the most recently completed calendar year.
- (h) Resolution No. 8841 authorizing execution of a General Services contract with Canber Corps. for landscaping services at various street tree and arterial landscape sites, for an initial two-year term in an amount not to exceed \$201,894.00, with the option to renew for an additional two years in an amount not to exceed \$201,894.00 plus any State-mandated prevailing wage increase and/or City approved special or unanticipated market condition that does not exceed the Consumer Price Index (CPI-U, Seattle-Tacoma-Bremerton) for the most recently completed calendar year
- (i) Resolution No. 8842 authorizing execution of a General Services contract with Total Landscape Corporation for landscaping services at various park sites and facilities, for an initial two-year term in an amount not to exceed \$63,967.82, with the option to renew for an additional two years in an amount not to exceed \$63,967.82 plus any State-mandated prevailing wage increase and/or City approved special or unanticipated market condition that does not exceed the Consumer Price Index (CPI-U, Seattle-Tacoma-Bremerton) for the most recently completed calendar year.
- (j) Resolution No. 8843 authorizing execution of a General Services contract with Signature Landscape Services for landscaping services at various street tree and arterial landscape sites, for an initial two-year term in an amount not to exceed

\$102,652.49, with the option to renew for an additional two years in an amount not to exceed \$102,652.49 plus any State-mandated prevailing wage increase and/or City approved special or unanticipated market condition that does not exceed the Consumer Price Index (CPI-U, Seattle-Tacoma-Bremerton) for the most recently completed calendar year.

- (k) Resolution No. 8844 authorizing execution of a General Services contract with Sublimescapes for landscaping services at Bellevue Water Department reservoir facilities, for an initial two-year term in an amount not to exceed \$25,064.54, with the option to renew for an additional two years in an amount not to exceed \$25,064.54 plus any State-mandated prevailing wage increase and/or City approved special or unanticipated market condition that does not exceed the Consumer Price Index (CPI-U, Seattle-Tacoma-Bremerton) for the most recently completed calendar year
- (l) Motion to award Bid No. 14071 for Sanitary Sewer Repairs (2014) – Phase 1 to Shoreline Construction Co. as the lowest responsive and responsible bidder, in an amount not to exceed \$1,086,011.69. [CIP Plan No. S-24.]

9. Public Hearings: None.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions

Mayor Balducci noted that the remaining items relate to adoption of the Budget. She recalled that the Council held three retreats and a number of Study Session discussions to focus on the Budget and three public hearings to hear input from the community. She asked staff to introduce each item, allowing for Council comments or questions before taking individual votes.

City Manager Brad Miyake said he appreciated all of the Council's hard work on the budget. The ordinances presented for action were prepared in accordance with previous Council direction.

- (a) Ordinance No. 6198 adopting the Human Services Commission's 2015-2016 funding recommendations, and authorizing entering into contracts with local human services agencies in accordance with the recommendations.

Finance Director Jan Hawn introduced the first ordinance.

→ Deputy Mayor Wallace moved to adopt Ordinance No. 6198, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

- (b) Ordinance No. 6199 amending Ordinance No. 6029A, codified as Bellevue City Code 4.50.010(A), by increasing Basic Life Support (BLS) Transport Fees from

\$600 to \$638 and the mileage rate from \$14 per mile to \$15 per mile.

Ms. Hawn introduced the ordinance.

→ Deputy Mayor Wallace moved to adopt Ordinance No. 6199, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

- (c) Ordinance No. 6200 updating Development Services fees for applications requiring building, land use, fire, survey, sign, transportation, utility, and clear and grading review and inspection services; and repealing Ordinance No. 6140.

Ms. Hawn noted that the proposed fees are consistent with previous Council discussion.

→ Deputy Mayor Wallace moved to adopt Ordinance No. 6200, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

- (d) Ordinance No. 6201 revising adopted water service, water consumption, and water standby capacity charges effective January 1, 2015, establishing charges for 2015 and 2016, and repealing Ordinance No. 6085.

Ms. Hawn noted that the proposed fees are consistent with the Council's discussions on November 10 and November 24.

→ Deputy Mayor Wallace moved to adopt Ordinance No. 6201, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

- (e) Ordinance No. 6203 revising adopted sewerage service charges effective January 1, 2015, establishing charges for 2015 and 2016, and repealing Ordinance No. 6086.

Ms. Hawn said the proposed fees are consistent with the Council's discussions on November 10 and November 24.

→ Deputy Mayor Wallace moved to adopt Ordinance No. 6203, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

- (f) Ordinance No. 6204 revising adopted storm and surface water charges effective January 1, 2015, establishing charges for 2015 and 2016, and repealing Ordinance

No. 6087.

The proposed fees are consistent with Council discussions on November 10 and November 24.

→ Deputy Mayor Wallace moved to adopt Ordinance No. 6204, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

(g) Ordinance No. 6205 authorizing the transfer of funds from the Local Improvement District (LID) Guaranty Fund to the General Fund, and establishing an effective date.

Ms. Hawn said the transfer of the excess LID funds is a normal and routine process authorized by state law.

→ Deputy Mayor Wallace moved to adopt Ordinance No. 6205, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

(h) Ordinance No. 6206 establishing the City's 2015 Regular and Voted Property Tax Levy.

→ Deputy Mayor Wallace moved to adopt Ordinance No. 6206, and Councilmember Stokes seconded the motion.

Councilmember Lee said he believes there has been a good process to consider the property tax increase. He has always stood for not causing an unnecessary burden on taxpayers. He believes it would be possible to accomplish the City's goals without a property tax. He noted that Deputy Mayor Wallace prepared a good alternative proposal to avoid the property tax increase.

Deputy Mayor Wallace recalled that, two weeks ago, he proposed deferring the Spring Boulevard Zone 1 project to avoid increasing the property tax and taking on debt. He suggested adjusting the timing but still delivering the project in time to be coordinated with light rail and meet the developer's needs. He recalled that the Council did not support his proposal. However, keeping the project in the proposed budget requires a two-percent property tax increase.

While he is reluctant to raise the property tax, he was willing to do so until the past couple of days. Mr. Wallace said he sees four changes to the capital budget in the meeting materials that were not part of what the Council discussed the previous week. He reiterated his proposal from the previous week to delay the Downtown Park NE entry project to 2021 to avoid the property tax increase. Mr. Wallace said he does support a one percent property tax increase for the Operating Budget. However, the ordinance combines the capital and operating budget property tax increases so he will vote against the ordinance.

Councilmember Lee expressed support for the Deputy Mayor's proposal. He believes the suggested adjustments to the timing of certain projects would enable completion of the projects without a property tax increase.

Responding to Councilmember Chelminiak, Ms. Hawn said the property tax levy rate for 2014 is \$1.07 per \$1,000 assessed valuation. With the property tax increase, the 2015 rate will be \$.98 per \$1,000 AV. Responding to Mr. Chelminiak, Ms. Hawn said Bellevue has the lowest property tax rate in the state for cities with a population greater than 20,000. Mr. Chelminiak observed that Bellevue citizens receive high-quality infrastructure, parks, programs and services, even with the low property tax rate.

Councilmember Lee said we just celebrated Thanksgiving, and he is thankful for the Council and the public process. He said it is important to discuss differences and that Bellevue has been well-served by discussing differences of opinion. Bellevue has not raised the property tax in a very long time. He noted how well Bellevue has developed with deliberate planning by Council and staff. Councilmember Lee expressed support for Mr. Wallace's alternative proposal to avoid raising the property tax.

Councilmember Stokes thanked Mr. Lee for expressing his views. Mr. Stokes observed that the proposed increase is very low and the benefits will be high. He said it is important to move the vision for the Bel-Red corridor forward. Mr. Stokes said the City has a history of investments for the future and he wants to continue that. He believes most residents will support the tax increase and the projects it will accomplish. Whatever the votes are tonight, Mr. Stokes said he is confident the Council will continue to work well together.

Councilmember Robinson recalled that the original proposal for a five percent tax increase has been reduced to three percent as a result of Council deliberations, which was a good process. She does not believe the City can support the growth in this community without making infrastructure investments. She observed that the Coal Creek Culvert project is a good example. If there had not been adequate funding to complete the project, the City would have simply replaced the road with another corrugated pipe underneath instead of restoring the stream and extending trails for recreational use. The resulting project improved the environment and the quality of life for those using the road and trails.

- The motion carried by a vote of 5-2, with Deputy Mayor Wallace and Councilmember Lee dissenting.
 - (i) Resolution No. 8845 providing for the banking of the maximum amount of levy capacity.
- Deputy Mayor Wallace moved to approve Resolution No. 8845, and Councilmember Stokes seconded the motion.

Responding to the Mayor, Ms. Hawn said the remaining banked capacity, following the earlier ordinance, is \$8.7 million, or 24 percent banked capacity. Mayor Balducci observed that many or most jurisdictions routinely take their annual property tax increase, and this represents how much

Bellevue has foregone for many years for potential use in the future.

→ The motion carried by a vote of 7-0.

- (j) Ordinance No. 6207 providing for the issuance of limited tax general obligation (LTGO) bonds of the City in an aggregate principal amount not to exceed \$19,000,000 for the purpose of providing funds to finance the purchase of County-owned real property at 11101 NE 6th Street (as identified by King County Assessor's Tax No. 322505-9216) in connection with the City's East Link MOU Commitments Project, CIP Plan No. PW-R-181; to pay bond issuance costs; providing for the disposition of the proceeds of sale of such bonds; and delegating the authority to approve the method of sale for and final terms of the bonds (the "Bond Ordinance").

Ms. Hawn said Ordinance No. 6207 provides for the issuance of councilmanic bonds for the purchase of the Metro site property next to City Hall and establishes the terms of the sale of the bonds.

→ Deputy Mayor Wallace moved to adopt Ordinance No. 6207, and Councilmember Stokes seconded the motion.

Mayor Balducci said this is the culmination of a long-term vision of the Council. The site will be used for construction staging for a number of years and will later be developed as part of the civic campus.

Councilmember Lee concurred with the Mayor about how wonderful it is to complete the acquisition of the Metro property.

→ The motion carried by a vote of 7-0.

- (k) Ordinance No. 6208 providing for the issuance of limited tax general obligation (LTGO) bonds of the City in an aggregate principal amount not to exceed \$74,000,000 for the purpose of providing funds to finance, reimburse or refinance a portion of the cost of the City's capital improvement program; providing for the disposition of the proceeds of sale of such bonds; and delegating the authority to approve the method of sale for and final terms of the bonds.

Ms. Hawn said Ordinance No. 6208 provides for the issuance of additional Council manic bonds for the balancing of cash flow needs of the Capital Investment Program, as well as other time-sensitive and high priority capital projects identified by the Council during its budget discussions. The ordinance also establishes the terms of the sale of the bonds.

→ Deputy Mayor Wallace moved to adopt Ordinance No. 6208, and Councilmember Stokes seconded the motion.

Deputy Mayor Wallace observed that all of the money is spent between 2015 and 2017, and there is a zero beginning fund balance in 2018. He said there does not appear to be enough long-term assets financed during those three years to reach \$70 million.

Ms. Hawn said she will provide the list of projects totaling \$70 million.

Responding to Mr. Wallace, Ms. Hawn said this includes \$10 million generated through the property tax increase. Mr. Wallace said he will not support the motion due to the inclusion of property tax revenues.

→ The motion carried by a vote of 5-2, with Deputy Mayor Wallace and Councilmember Lee dissenting.

- (1) Ordinance No. 6209 adopting the City of Bellevue's 2015-2016 Budget and the 2015-2021 Capital Investment Program (CIP) Plan; setting forth the estimated revenues and appropriations; establishing job classifications and pay ranges; and establishing an effective date.

Ms. Hawn said Ordinance No. 6209 is the umbrella ordinance adopting the 2015-2016 Budget and the 2015-2021 Capital Investment Program (CIP) Plan. She noted two corrections to the ordinance published in the meeting packet the previous week. The corrected version is provided in the Council's desk packet. The desk packet also provides a substitute Attachment F, which is believed to be consistent with the Council's previous direction. For the economic development competitiveness and collaboration item, the \$500,000 allocation is split equally between 2015 and 2016, instead of allocating \$100,000 annually for five years (which is reflected in that evening's original meeting packet).

→ Councilmember Chelminiak moved to adopt Ordinance No. 6209, as amended in the desk packet. Councilmember Stokes seconded the motion.

Deputy Mayor Wallace offered his comments. With regard to the economic development competitiveness and collaboration item, he is pleased to see the revision to allocating the money within a two-year period.

With regard to the Eastside Rail Corridor project, Mr. Wallace said he did not recall coming to a firm agreement to fund \$1 million. He said the City does not own the property and it is not part of the City's existing parks plan. He would prefer that this issue be addressed by the Parks and Community Services Board to formulate a recommendation.

Mr. Wallace said the Downtown Park NE corner entry project was \$5 million originally budgeted for 2015 and 2016. He thought the Council agreed to deferring that to 2021. He said there is a color of money issue. The Parks capital budget is supported by REET (real estate excise tax) collections and the Parks Levy. If the project is completed in 2015-2016, the City is borrowing money to pay for it versus using the Parks Levy and REET funds. He recalled his earlier proposal to defer the project.

Mr. Wallace expressed concern regarding the City Hall parking garage project. The budget assumes that Sound Transit will pay the City \$14.5 million. Previously, there was a contingency line item of \$14.5 million, with the assumption that it would be spent on relocating the parking garage. Mr. Wallace said he suggested not counting the money twice. Now the contingency has been reduced by \$7 million because funds have been moved to a parking garage line item. He does not understand why that would be done, unless it is to allow staff to spend the \$7 million on relocating the parking garage before the City has an agreement with Sound Transit. Deputy Mayor Wallace opined that the City needs to have an agreement with Sound Transit about the agency's financial contributions before the parking garage project can move forward.

Councilmember Lee said he supports the vision and goals of the Council. He supports Deputy Mayor Wallace's suggestions. He said the Council works hard to prioritize items, and we need to figure out when and how to make things happen. He said the Council knows the City will accomplish the needed investments for the East Link project in the Bel-Red Corridor. Mr. Lee wants the City Manager and staff to look hard and to make some tough choices to develop the budget. He said it behooves the Council to make harder choices and set priorities because that has proven to be successful for the City in the past.

Mr. Lee said that not adopting a tax increase would not mean the City would be doing less. He said history has proven that the City can accomplish things without raising taxes. He encouraged everyone to consider Mr. Wallace's suggestions.

Councilmember Robertson observed that there are two contingency line items: \$1 million for the Tateuchi Center and \$1 million for the BNSF rail trail. Neither of those ideas are ready for implementation. Responding to Ms. Robertson, City Manager Miyake confirmed that the projects will come back to the Council with a plan and budget before expenditures are ever made.

→ As an amendment, Councilmember Robertson moved to structure the economic development competitiveness and collaboration item as \$250,000 in 2015 and \$250,000 in 2016. Councilmember Robinson seconded the motion.

Mayor Balducci expressed support for the motion, which she believes was the intent of Council's previous direction to staff.

→ The amendment carried by a vote of 7-0.

→ As an amendment, Councilmember Lee moved to postpone the Downtown Park NE entry project to 2021, as suggested by Deputy Mayor Wallace. Councilmember Robertson seconded the motion.

Councilmember Robinson observed that the project will cost more if it is delayed. She would prefer to do it sooner at a lower cost.

Councilmember Chelminiak recalled that the Council established the completion of Downtown Park as a high priority. He believes the City should move ahead with it. He concurred with

Councilmember Robinson that project costs will likely increase if it is deferred. Mr. Chelminiak said that completing the City's park project as adjacent private development is completed would make an effective statement about the connection between the park and the rest of the Downtown.

Deputy Mayor Wallace said he wanted to present his proposals because he spent a lot of time working on the budget to find ways to avoid increasing the property tax rate. He reiterated that the tax increase could be avoided if this project and the Spring Boulevard Zone 1 project were delayed. Mr. Wallace clarified that completing the Downtown Park circle is already funded. The NE corner entry is an enhancement which he feels should be deferred.

- The motion failed by a vote of 3-4, with Deputy Mayor Wallace and Councilmembers Lee and Robertson in favor.
- As an amendment, Councilmember Lee moved to shift the City Hall parking garage funding into the Council Contingency line item. Councilmember Robertson seconded the motion.

Deputy Mayor Wallace said that, since last week, the funding was moved from the Council Contingency fund to the parking garage project. However, the money is to come from Sound Transit. Mr. Wallace said the capital budget has three items that require funding from Sound Transit: 1) City Hall parking garage relocation, 2) 120th Avenue where light rail crosses the road, and, 3) 124th Avenue where the light rail train also crosses the road. There are no funding commitments from Sound Transit on these items. He is opposed to moving forward with paying for the projects before Sound Transit actually contributes the funding.

Responding to Councilmember Stokes, Deputy City Manager Kate Berens said the City will not begin work on the garage until there is an agreement from Sound Transit regarding funding.

Mr. Stokes concurred with Mr. Wallace in questioning the rationale for placing funds in a line item if Sound Transit is to contribute funding.

Councilmember Chelminiak observed that there is a general understanding with Sound Transit that they will provide money for the garage. The City has recently reentered negotiations with Sound Transit. Mr. Chelminiak wants to be sure that the parking garage project is identified in the CIP Plan, even if \$0 are reflected at this point. He also wants to make it clear that the City does not have \$14 million in contingency that can be used for just anything. He said he could support Mr. Wallace's proposal.

Deputy Mayor Wallace said he is okay with leaving the number in the budget as currently reflected, given the Deputy City Manager's assurance that the City will not move forward with the garage project until Sound Transit provides the agreement to pay the money. However, he is not comfortable at this point that they are assuming they will be spending the money for that purpose.

Noting general agreement with leaving things as is, Councilmember Lee withdrew the motion.

Mayor Balducci said she heard clearly that the Council does not want the parking garage project to move forward without Council approval of an agreement with Sound Transit.

→ Councilmember Stokes moved to extend the meeting to 10:30 p.m., and Councilmember Robertson seconded the motion.

→ The motion carried by a vote of 7-0.

With proposed amendments addressed, Mayor Balducci invited Councilmembers to make comments on the overall Budget and CIP Plan.

Councilmember Robertson said that, in reviewing the budget, she looks at what the community values and how the budget honors the past and plans for the future. She noted that the Council established a new vision statement this year, and she believes the budget is consistent with that vision. She noted that the budget addresses the priority of public safety by adding four firefighters and three Police detectives. Ms. Robertson said the operating budget provides improved public safety for the entire community and maintains the great City services that residents and businesses have come to expect, while protecting the most vulnerable with its human services grants and funding of affordable housing through the City's partnership with A Regional Coalition for Housing (ARCH).

Ms. Robertson said the capital budget also facilitates the implementation of the Council's vision by funding investments in both commercial and residential areas. The budget supports the Newport Way sidewalk project, West Lake Sammamish Parkway Phase 2, many neighborhood and regional Parks projects, and restoration of the Neighborhood Enhancement Program. The budget also funds important transportation and mobility projects. It leverages the investments of others including the Boys and Girls Clubs of Bellevue, KidsQuest Museum, and the Tateuchi Center (Performing Arts Center Eastside, or PACE).

With regard to the property tax increase, Ms. Robertson noted her previous five votes opposing increases. However, this year the Council supports a three percent increase: two percent for the capital budget and one percent for public safety operations. Even with the increase, the City has the lowest millage rate in the state and it will actually decrease in 2015 even with the three-percent increase. Councilmember Robertson said she will vote to support the Budget and CIP Plan. She believes it will help to ensure the continued success of the City, its residents and its businesses into the future.

Councilmember Stokes said Ms. Robertson did a good job of summarizing the benefits of and perspectives on the budget. He thanked Deputy Mayor Wallace for all of his work on the budget. Mr. Stokes believes the budget is moving forward with some bold proposals, especially in the areas of arts and culture. He said it is important to keep up with long-term commitments to continue to improve and grow the community while preserving neighborhoods. Councilmember Stokes observed that this has been a good budget process.

Councilmember Robinson said the budget invests in infrastructure as well as more visible items for the public's benefit. This includes money to Parks, KidsQuest Museum, and the Boys and Girls Clubs of Bellevue. She believes the Downtown-Wilburton Grand Connection will be a gift to the community. She is pleased to move forward with installing hearing looping technology at City Hall and Bellevue Youth Theatre. Councilmember Robinson thanked the Mayor, Deputy Mayor, City Manager, staff and the public for their involvement and hard work on the budget.

Deputy Mayor Wallace thanked the City Manager and staff for their support and patience over the past five to six months. He still prefers deferring the Spring Boulevard project and believes it would actually be found to be unnecessary in the future. He is not in favor of borrowing money to pay for the Downtown Park NE entry project. He suggested developing a more formal policy about how Parks dollars are spent. Every dollar of REET revenues, levy funds, and additional funding is spent.

Deputy Mayor Wallace said there are many positive aspects to the budget including significant transportation, parks, economic development and other projects. He will support the budget.

Councilmember Lee recalled that he joined the Council 21 years ago, which was first of many years that the Council did not approve a property tax increase, except for a couple of increases. He commented on Bellevue's accomplishments and desirable quality of life. He said the Council needs to be prudent in budgeting and prioritizing its expenditures. We want to be a city of continued economic development and strong neighborhoods. Mr. Lee observed that the budget could do more for people, economic development, and private-public partnerships (e.g., Tateuchi Center, grants, etc.).

Councilmember Lee said he has consistently opposed property tax increases. However, he will support the budget.

Councilmember Chelminiak thanked City Manager Miyake and staff for the Preliminary Budget. The Council was able to work well with it and to modify it as desired. Mr. Chelminiak thanked the Mayor for her leadership in establishing the vision.

Mr. Chelminiak said this budget is about people, partnerships and progress. The budget includes needed human services funding. He reported that the winter shelters opened on November 15, and the men's shelter averages 60 men nightly. On Thanksgiving night, the women's shelter had 46 women and children.

With regard to partnerships, Mr. Chelminiak said he is happy to be restoring the NEP program, even at the initial low funding level. He looks forward to the Boys and Girls Clubs of Bellevue partnership in the Downtown, which will also provide opportunities for adults during the day. He strongly supports moving the KidsQuest Museum to be adjacent to the Bellevue Regional Library and appropriately on the site of a former elementary school. He expressed support for the future rail corridor trail.

Mr. Chelminiak said Old Bellevue merchants have been requesting a partnership for parking, and he hopes that will continue to be explored. He observed that the budget supports progress toward

the City's goals and vision as a livable community that welcomes the world and sees diversity as its strength. He is pleased with the restored investments in public safety. He thanked Councilmember Robertson for her work in that area.

Mayor Balducci thanked the City Manager and staff, giving a special recognition to Toni Rezab, Budget Manager, for tracking the discussions, especially during the previous week's meeting. She thanked Finance Director Jan Hawn and additional members of her staff who were involved in the budget process.

Ms. Balducci acknowledged the initial difficulty in establishing the vision, which ultimately resulted in a statement that is informed by the past and by what residents want and expect from government in terms of planning and services. She said the Council created a list of 25 items within the vision. She observed that the City will have made a good start on 20 of them with the work completed this year and items planned during the next budget.

Mayor Balducci said the budget makes significant investments in transportation infrastructure. The City will construct Phase 1 of Meydenbauer Bay Park by 2018. The budget makes a down payment on implementing a smart city strategy, a potential partnership with the Tateuchi Center, and a Civic Center plan for City Hall and the adjacent parcel. The budget plans for the Grand Connection from Meydenbauer Bay to the rail corridor regional trail and supports the new KidsQuest Museum location

Ms. Balducci said the budget funds an additional regional intergovernmental affairs staff position, hearing assistive (looping) technology, additional firefighters and Police detectives, the restored Neighborhood Enhancement Program, and Cultural Diversity Program investments. She said there are items in the budget that were proposed by each individual Councilmember, and the budget would not be what it is without every person's contributions.

Councilmember Stokes concurred that the budget process represents a strong team effort.

- The motion adopting Ordinance No. 6209 approving the 2015-2016 Budget and 2015-2021 CIP Plan, as amended, carried by a vote of 7-0.
- Councilmember Chelminiak moved to extend the meeting by 10 minutes, and Mr. Wallace seconded the motion.
- The motion carried by a vote of 5-1, with Deputy Mayor Wallace opposed and Councilmembers Robertson away from the dais.
 - (m) Ordinance No. 6210 amending Bellevue City Code Chapter 4.36.30, Damage Claims Against the City, to increase the settlement authority of the City Manager from \$20,000 to \$75,000.

Mr. Miyake said Ordinance No. 6210 increases the settlement authority of the City Manager from \$20,000 to \$75,000. He noted that the City Attorney was present to answer any questions.

→ Councilmember Chelminiak moved to adopt Ordinance No. 6210, and Councilmember Stokes seconded the motion.

Mayor Balducci said that Executive Session items often involve claims against the City that are clearly the City's responsibility to pay. The threshold of the City Manager's authority has not been changed in a very long time. She expressed support for the motion.

→ The motion carried by a vote of 6-0, with Councilmember Robinson away from the dais.

- (n) Resolution No. 8846 authorizing execution of a lease agreement with Hub Seattle LLC to launch and operate Impact Hub Bellevue in the City-owned Lincoln Center north building (555 116th Avenue NE) as an interim startup/incubator facility that furthers the City's Comprehensive Plan and its Economic Development Plan and provides public benefits.

Mr. Miyake said Resolution No. 8846 establishes a lease agreement with Hub Seattle LLC to operate Impact Hub Bellevue as an interim starter incubator facility. He said this item is consistent with the Economic Development Strategy recently adopted by the Council.

Dan Stroh, Planning Director, said the Lincoln Center north building on 116th Avenue NE has been largely empty for the past two years. The public benefits of the proposal are noted in the packet materials. He acknowledged the involvement and responsiveness of several departments including Civic Services, Information Technology, and the City Attorney's Office in moving this forward.

→ Deputy Mayor Wallace moved to approve Resolution No. 8846, and Councilmember Stokes seconded the motion.

Councilmember Robinson expressed support for the program. She said this is the culmination of a collaboration between the City, existing startup businesses and programs, and others. She said Microsoft and other companies have committed to provide teaching sessions. A number of investors are interested in the project. She thanked staff for moving quickly and effectively to make this happen.

Councilmember Stokes said he and the Deputy Mayor toured a similar facility and program in Austin, Texas with the Bellevue Downtown Association.

Councilmember Lee expressed his support. He said the cost is minimal relative to the impact to the community.

Mayor Balducci expressed support for the motion.

→ The motion carried by a vote of 7-0.

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 10:35 p.m., Mayor Balducci declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

/kaw