

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

December 12, 2011
8:00 p.m.

Council Chamber
Bellevue, Washington

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

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:06 p.m., with Mayor Davidson presiding.

2. Roll Call, Flag Salute

Upon roll call, all Councilmembers were present.

(a) Flag Salute by Cascade Eagle Scouts

Mayor Davidson welcomed Cascade Eagle Scouts Troop 66 for the presentation of the colors and the flag salute, and congratulated them on their achievement.

(b) Swearing in of Councilmembers for Position Nos. 3, 5 and 7

Mayor Davidson announced that John Stokes has been elected to the City Council following the recount, and the election will be certified on December 16. He will be sworn in by or during the January 3 meeting.

King County Superior Court Judge Brian Gain conducting the swearing in of Councilmembers Balducci, Chelminiak and Robertson.

Mayor Davidson declared a brief recess for photographs and to congratulate the Councilmembers.

The meeting reconvened at 8:18 p.m.

(c) Commendation of Councilmember Degginger's Years of Service

Mayor Davidson read a commendation in appreciation of Grant Degginger's 20 years of service to Bellevue, which included membership on the Planning Commission from 1991 through 1998, and three terms on the City Council with two terms as Mayor. Mr. Degginger has had a strong influence on regional growth and planning through his leadership as Chairman of the Cascade Water Alliance as well as his membership on the Puget Sound Regional Council (PSRC) Executive Board, PSRC Growth Management Policy Board, and Regional Transit Task Force. Councilmember Degginger has played an important role in working with U.S. and state legislators to gain support for Bellevue and regional projects.

Deputy Mayor Lee added his appreciation for Councilmember Degginger's distinguished service on the Council and friendship, and wished him well into the future.

Councilmember Balducci expressed her thanks, noting that Mr. Degginger has had an important role in all of the major policies and accomplishments of the City over the past two decades, including most recently the Sound Transit East Link project and the Electrical Reliability Study. Ms. Balducci said she appreciates Councilmember Degginger's intellect, dedication, expertise and sense of humor. He has been a strong and effective advocate for the City.

Councilmember Chelminiak said he calculated that Councilmember Degginger has attended roughly 620 City Council meetings which have included 1,800 proclamations; 2,942 staff reports; and 3,780 Consent Calendar items. He highlighted Mr. Degginger's accomplishments related to the Access Downtown project, Downtown Implementation Plan, new City Hall, Meydenbauer Bay Beach Park, Sound Transit East Link project and Downtown Tunnel, Bel-Red Subarea planning, human services, leadership of the Construction Code Advisory Committee, attention to the City's contracting practices, as well as a number of regional efforts. Mr. Chelminiak thanked Councilmember Degginger for his service and friendship.

Councilmember Wallace observed that Mr. Degginger raises the bar in terms of his intelligence, expertise in policy issues, and dedication to the Council. He thanked Councilmember Degginger for his years of service.

Councilmember Robertson said that Councilmember Degginger's long record of service and leadership will leave a lasting impression on the community. She thanked him for his contributions, and wished him well.

City Manager Steve Sarkozy thanked Councilmember Degginger for his hard work, and noted that he enjoyed working with Mr. Degginger when he served as Mayor. Mr. Sarkozy commended Councilmember Degginger's leadership in issues that have been critically important to the community and to the region. Mr. Sarkozy thanked him for his friendship and wished him well.

Councilmember Degginger recalled how meeting Terry Lukens led to his involvement on the Planning Commission and eventually the City Council. He thanked his wife Kathy and his two

sons for their support of his public service. Councilmember Degginger said that it was an honor to serve in one of the greatest cities in the country and one of the most diverse cities in the state. Bellevue's assets include its economic activity and employment opportunities, high standard of living, strong schools, and low crime, all of which are the result of the people who live and work in this community.

Mr. Degginger said it has been great to work with City Manager Sarkozy, Deputy City Manager Brad Miyake, City Clerk/Assistant City Manager Myrna Basich, City Attorney Lori Riordan, Deputy City Clerk Shelly Murphy, and the many other staff members who ensure that Bellevue provides a high quality of life. Councilmember Degginger welcomed John Stokes to the City Council, and noted that he looks forward to spending more time with family.

3. Communications: Written and Oral

- (a) Diane Pottinger, retiring Cascade Advancements Chairman for the Boy Scouts, provided an annual update on the activities of Bellevue, Mercer Island, Clyde Hill, Issaquah, Medina, and Yarrow Point scouts. She noted that they have been holding Eagle Boards Review in City Hall since May 2007. Several of the 2011 Eagle Scouts came forward to report on their projects.
- (b) Liz Molitor said she lives near First Presbyterian Church of Bellevue on Bellevue Way. She and neighbors were notified around Thanksgiving of plans by the church and the Eastside Academy to open two group homes for at-risk youth. There is a third unrelated group home on the block as well. She expressed concerns related to safety, property value implications, and oversight of the homes. Ms. Molitor said that BCC 9.19 addresses group homes for children, and she expressed concern about whether the City is following the policies.
- (c) Susan Robinson lives adjacent to the proposed group homes described by the previous speaker. She expressed concerns about the proximity of several group homes on such a short block. She said the City's policies prohibit independent room rentals in a single-family residence, and she believes the homes violate this regulation. She believes that three group homes is a disproportionate burden on the street. She attends the neighboring church and supports their mission. However, she objects to the number of group homes within a small area.
- (d) David Scheyer, also a resident of the area around the First Presbyterian Church, expressed concern about the proposed group homes. He said that residents wanted to make the Council aware of the situation, as they are concerned about whether the group homes comply with the City Code. Mr. Scheyer said neighbors are disappointed that the church has not communicated with them about the project. He was told that a notice was sent to neighbors in November to invite them to a meeting on December 1, but he and the neighbors he knows did not receive notices.

- (e) Toni Esparza, Executive Director of Eastside Academy, spoke in support of the proposed group homes, which will serve students who have not succeeded within the traditional school system. Students have been at this location within the community for 11 years. Ms. Esparza said Eastside Academy values its neighbors and their concerns. The homes will support two families of youth who do not have families or circumstances that she would want for her children. Some have been abandoned by their parents and become homeless youth. Ms. Esparza said the students are enrolled in school and supported by a number of services including mental health and substance abuse programs, as well as by a safe and positive family environment.
- (f) Scott Dudley, Senior Pastor of First Presbyterian Church of Bellevue, echoed the previous speaker's comments in support of the proposed group homes. He said that the church and Eastside Academy value their neighbors and want to work with them. The church received approval from the City in October for the project. Mr. Dudley said there will be house parents in the homes, and they will be operated in the manner of any single-family home. The church owns five homes on the block. In addition to the youth homes, two homes house church staff, and the use of the fifth home has not been decided. Mr. Dudley said Eastside Academy will rigorously enforce the City's standards for residential homes, and students who do not comply will not be allowed to live in the homes.
- (g) Renay Bennett reported that the Washington State Public Disclosure Commission fined Move Bellevue Forward for violations of the State's election campaign rules. The group served as the principal political action committee supporting the campaign efforts of Councilmembers Balducci and Chelminiak and Councilmember-Elect Stokes. She said that Move Bellevue Forward failed to register as a political action committee and failed to report campaign expenditures on behalf of Ms. Balducci, Mr. Chelminiak, and Mr. Stokes. A group representative wrote that they were unaware of the campaign disclosure requirements. Ms. Bennett said that a number of members of Move Bellevue Forward are former elected officials and others familiar with local government and political activities.
- (h) Linda Lowe-Sheedy recalled that, on October 11, 2010, representatives of the Sherwood Forest Community Club addressed the Council regarding the preservation of funding for neighborhood traffic calming and safety projects. A location particularly hazardous is a mid-block crossing at NE 24th Street between 161st and 162nd Avenues. The crosswalk serves residents and students at Interlake High School. Ms. Lowe-Sheedy said that traffic in the area continues to increase. She noted that accidents have occurred at the location, and said there is a need for better signage.

Councilmember Degginger asked staff to check into this issue and report back to the Council.

- (i) Norm Hanson, representing Bridle Trails residents, spoke in support of the Electrical Reliability Study and urged the Council to identify staff to move the study's recommendations forward. He thanked Councilmembers Chelminiak and Degginger, Puget Sound Energy, City staff, and other stakeholders who have worked on this issue.

- (j) Loretta Lopez, Co-Vice President of the Bridle Trails Community Club, expressed support for the Electrical Reliability Study and encouraged the City to move forward with its recommendations. She thanked Councilmember Degginger for recognizing the importance of this issue to the community.
 - (k) Dick Morris, said he is President of the Sunset Community Association, which represents 12 subdivisions. He thanked the Council for funding the SE 145th Street sidewalk and overlay project. He thanked Mayor Davidson for his support, and City staff for their work with residents. He said it will be great to have a sidewalk for college students and individuals in wheelchairs.
 - (l) Loyd Jacobs, a Woodridge resident, thanked Councilmember Degginger for his 20 years of service to the citizens of Bellevue. He commended Mr. Degginger's leadership on many issues, including the light rail project. He believes that John Stokes will represent all citizens of Bellevue, as did Mr. Degginger.
4. Reports of Community Council, Boards and Commissions: None.
5. Report of the City Manager
- (a) Request for Special Meeting to hold South Bellevue Annexation Public Hearing and to take action on Annexation

City Manager Steve Sarkozy opened discussion regarding the South Bellevue annexation process. He recalled that staff reported two weeks ago that the City was just short of the 50 percent support required for the petition annexation method. A number of volunteers came forward to help conclude that process.

Chris Salomone, Planning and Community Development Director, requested that the Council hold a Special Meeting and Public Hearing, and take action on the South Bellevue Annexation, next week. He noted the Governor's budget proposal to eliminate the sales tax credit, which provides a benefit to Bellevue if the annexation moves forward. King County is working to certify the petition signatures by December 19. Staff requests that the Council hold a Special Meeting on December 19 to address the annexation.

City Clerk Myrna Basich explained that it would be helpful for the Council to approve a Special Meeting. Staff has already noticed a Public Hearing in the hope that the Council will grant the meeting.

Responding to Councilmember Degginger, Ms. Basich said the Public Hearing has been noticed for 8:00 p.m.

Mayor Davidson said this is an extremely important issue, and he encouraged continuing to move it forward.

Mayor Davidson noted a consensus to schedule the Special Meeting for December 19.

6. Council Business and New Initiatives

(a) Selection of Temporary Chair for January 3, 2012, Council Meeting

City Clerk Myrna Basich referred the Council to page 6-1 of the meeting packets for materials on the selection of a Temporary Chair and election of the Mayor and Deputy Mayor. She provided an overview of the process for selecting a temporary chair for the first meeting of the year, as well as the process used for the selection of Mayor and Deputy Mayor.

Ms. Basich said that Bellevue's tradition is for the Temporary Chair to preside over the election of the Mayor and Deputy Mayor. The most common alternative is to have the City Clerk fill this role. The memorandum on page 6-3 summarizes the nomination process usually followed since Council Rules do not direct this process.

With regard to conducting the election of the Mayor, questions have been raised by Councilmembers in the past about alternative ways to conduct the election process. Ms. Basich said staff researched the issue and found that Robert's Rules of Order offer a ballot alternative to the normal nominations process. State law does not allow voting by secret ballot, but staff have always identified that a ballot alternative exists. However, the City Attorney recently became aware of a ballot approach used in Tacoma on which the Attorney General's Office ombudsman has commented.

Ms. Basich said staff is seeking direction regarding the Council's preferred method for conducting the elections.

Mayor Davidson suggested beginning with a discussion of the Temporary Chair selection.

Councilmember Robertson nominated Deputy Mayor Lee to serve as Temporary Chair for the first meeting in January

Councilmember Balducci nominated Mayor Davidson to serve as Temporary Chair, noting that this is the Council's tradition.

Mr. Lee indicated that he is willing to serve as Temporary Chair.

Mayor Davidson said he appreciates the nomination but will decline.

By unanimous consent, the Council approved the selection of Mr. Lee as Temporary Chair.

Responding to Councilmember Balducci, Ms. Basich said the Temporary Chair cannot make a nomination for the Mayor or Deputy Mayor positions.

(b) Determining Election Method for Selection of Mayor and Deputy Mayor

Councilmember Robertson asked the City Attorney to report on the alternative ballot method mentioned by Ms. Basich.

Lori Riordan, City Attorney, explained that the City of Tacoma is currently making a decision about hiring a City Manager. Tacoma devised a process in which they would assign a number to each of the top five candidates because some did not want their names to be public, and City Councilmembers would vote by writing a letter on their ballots and turning them over to staff for tabulations. The *Tacoma News Tribune* objected to this method and sought direction from the Attorney General's Office. The ombudsman for open government advised that this could be construed as a secret ballot, even though the names of the candidates and the results of the vote would ultimately be made available to the public.

Ms. Riordan said she has not had the opportunity speak with the ombudsman about the Tacoma case, or about alternatives for Bellevue. She said that the ombudsman has clarified that he is not offering an official opinion on behalf of the Attorney General. As ombudsman for open government, he is there to assist the public and to assist policy makers on making decisions that do not violate the Open Meetings Act.

Councilmember Robertson said she would want the City Attorney to discuss the issue further with the ombudsman before changing Bellevue's process.

Councilmember Balducci voiced a preference for continuing to conduct nominations and votes in a public meeting, as has been Bellevue's tradition.

→ Councilmember Balducci moved to continue to use the traditional nomination process for selecting Mayor and Deputy Mayor. Councilmember Chelminiak seconded the motion.

Deputy Mayor Lee expressed support for the motion. However, he acknowledged that options would be an appropriate topic for discussion in the future.

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

(c) Council Reports

Councilmember Chelminiak attended the annual meeting of the Eastside Human Services Task Force. He participated as an observer of the King County Elections recount for the Bellevue City Council position.

Councilmember Robertson said she looks forward to serving her second term for the next four years. She wished everyone Happy Holidays.

Deputy Mayor Lee read an excerpt from "All I Really Need to Know, I Learned in Kindergarten," which he believes applies to all relationships, including politics. He highlighted the principle stating that it is best to hold hands and stick together.

Councilmember Balducci chaired the Puget Sound Regional Council (PSRC) Transportation Policy Board meeting and attended the Sound Transit Capital Committee meeting. She was asked by Governor Gregoire's office to serve on an advisory committee created as part of the Alaskan Way Viaduct project, which will address issues related to the bored tunnel, tolling, and the impacts to city streets. She was asked to serve based on her role with PSRC. She agreed to serve on the committee, which she believes will be beneficial to Bellevue when it addresses similar issues related to the light rail Downtown Tunnel.

In terms of holiday activities, Ms. Balducci visited Snowflake Lane with her family and served as a judge for the annual Gingerbread Lane contest. She noted that staff of the Meydenbauer Convention Center won the Spirit of the Northwest award for its gingerbread rendering of the Winters House.

Councilmember Wallace attended the Eastside Transportation Partnership meeting.

Councilmember Degginger attended meetings of the PSRC Executive Board and Bellevue Convention Center Authority (BCCA) Board (Meydenbauer Center).

Mayor Davidson said that he and Deputy Mayor Lee attended an event at the home of Consul General Ota from Japan, as well as the Bellevue Sister Cities Association holiday luncheon. Dr. Davidson encouraged residents to visit Garden d'Lights at the Bellevue Botanical Garden.

7. Approval of the Agenda

→ Deputy Mayor Lee moved to approve the agenda, and Councilmember Chelminiak seconded the motion.

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

8. Consent Calendar

→ Deputy Mayor Lee moved to approve the Consent Calendar, and Councilmember Chelminiak seconded the motion.

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

(a) Minutes of November 21, 2011 Study Session
Minutes of November 21, 2011 Regular Session

(b) Resolution No. 8337 authorizing execution of an amendment to the professional services agreement with Kenyon Disend, PLLC, to increase the total contract amount from \$49,000 to \$99,000, for legal services and representation on property acquisitions and/or eminent domain proceedings for multiple parcels

necessary for Stage 1 of the 120th Avenue NE project.

- (c) Resolution No. 8338 authorizing execution of all documents necessary to implement settlement of the claim for damages filed by Christopher and Mary Chollman.
- (d) Resolution No. 8339 authorizing execution of a five-year lease agreement with Mighty Media Studios, LLC, for the lease of office space located within the City-owned Old Fire Station #3 located at 14822 NE Bellevue-Redmond Road.
- (e) Resolution No. 8340 authorizing execution of a two-year contract with Northwest Fire Systems, with an option to renew for an additional two years, for a total contract amount not to exceed \$164,321, for scheduled test and inspection maintenance of fire alarm, sprinkler, and clean agent systems serving City Hall.
- (f) Resolution No. 8341 adopting the City of Bellevue State Legislative Agenda and State Legislative Statement of Policy for the 2012 legislative session.
- (g) Resolution No. 8342 authorizing execution of an amendment to the Software Purchase and Maintenance agreement with Insight Software.com, Inc., #44730, in an amount not to exceed \$21,746, to purchase additional reporting modules and user licenses, plus annual maintenance of \$4,910.
- (h) Retirement Benefit Plan changes to comply with Internal Revenue Code and Internal Revenue Service rules and regulations

Resolution No. 8343 adopting the amended and restated City of Bellevue 457 Deferred Compensation Plan (Bellevue 457 Plan) and authorizing the 457 Plan Committee Chair to execute all necessary documents to effect the amendment to 457 Plan/Adoption Agreement to comply with federal law and other regulations and to make the plan consistent with the Great West Retirement Services basic plan document.

Resolution No. 8344 adopting the amended and restated City of Bellevue 401(a) Money Purchase Pension Plan and authorizing execution of all necessary documents to effect the amendment to the 401(a) Plan/Adoption Agreement to comply with federal law and other regulations and to make the plan consistent with the Great West Retirement Services basic plan document.

Resolution No. 8345 adopting the City of Bellevue Employees' Retirement Benefit Plan Fifth Amendment and authorizing the Plan Committee Chair to execute all necessary documents to effect the amendment to the Plan to implement optional provisions of applicable federal retirement legislation for 401k plans

- (i) Resolution No. 8346 authorizing execution of a four-year professional services agreement with the Benefit Services Group, Inc., in an amount not to exceed \$390,000, for online health benefit enrollment and management services.
- (j) Resolution No. 8347 authorizing execution of a one-year administrative services agreement with Premera Blue Cross as a Third Party Administrator, in the amount of \$675,000, to administer the City's self-insured medical and prescription drug benefit programs for 2012.
- (k) Resolution No. 8348 authorizing execution of a two-year professional services agreement with AMX International, with an option to renew for an additional two years, in an amount not to exceed \$400,000, for ongoing configuration, consulting and programming services for the maintenance or repair of the JD Edwards Enterprise One Application.
- (l) Resolution No. 8349 authorizing execution of a two-year general services contract with Northwest Cascade Inc., dba Honey Bucket, with an option to renew for an additional two years, in an amount not to exceed \$106,250, for portable toilet service at various City park sites, Bellevue School District athletic field sites, special events, and unscheduled needs.
- (m) Resolution No. 8350 authorizing execution of a two-year general services contract with Premier Properties of Washington, LLC, with an option to renew for an additional two years, in an amount up to \$250,000, for the purpose of rental management and operation of the Robinswood House.
- (n) Ordinance No. 6031 authorizing: 1) Execution of a grant agreement with the Transportation Improvement Board, to accept a state-funded \$124,465 Urban Sidewalk Program grant for installation of a missing sidewalk segment fronting 11839 NE 8th Street; 2) Amendment of the 2011-2012 general Capital Investment Program (CIP) to increase the appropriation by \$124,465; and, 3) Amendment of the 2011-2017 CIP Plan to increase the budget for the Pedestrian Access Improvements Program by \$124,465, and authorize expenditures from said funds (CIP Plan No. PW-W/B-56).

9. Public Hearings

- (a) Public Hearing on Interim Official Control Extending Deadlines for Certain Preliminary Short Plat Approvals

Ordinance No. 6032 extending Ordinance No. 6009 imposing an interim official control extending the life of certain preliminary short plat approvals; amending section 2 of Ordinance No. 6009; declaring an emergency; providing for severability; and establishing an effective date.

City Manager Sarkozy requested Council action on Ordinance No. 6032 imposing an interim official control extending the life of certain preliminary short plat approvals and declaring an emergency. He recalled that the Council took a similar action in July.

→ Deputy Mayor Lee moved to open the Public Hearing, and Councilmember Robertson seconded the motion.

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

No one came forward to comment.

→ Councilmember Degginger moved to close the Public Hearing, and Councilmember Balducci seconded the motion.

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

→ Councilmember Robertson moved to adopt Ordinance No. 6032, and Deputy Mayor Lee seconded the motion.

Responding to Councilmember Degginger, Land Use Director Carol Helland said this would be the second six-month extension by the Council regarding the life of short plat permits.

Responding to Councilmember Balducci, Ms. Helland said the declaration of an emergency is part of the process defined in the state Growth Management Act.

→ The motion to adopt Ordinance No. 6032 carried by a vote of 7-0.

10. Land Use

- (a) Ordinance No. 6033 approving the conditional use permit application of Boys and Girls Club of Bellevue to operate a youth center at 15228 Lake Hills Boulevard, Bellevue, Washington. File No. 11-119329-LB.

Mr. Sarkozy summarized that Ordinance No. 6033 represents a conditional use permit application from the Boys and Girls Club of Bellevue to operate a youth center at the former Lake Hills Library site. On October 20, 2011, a public hearing was held before the Hearing Examiner, and no oral or written comments were received. The Hearing Examiner issued a recommendation on October 27 that the application be approved, with the conditions presented on pages 4 and 5 of the Hearing Examiner's Decision.

Mr. Sarkozy noted that the project falls within the boundaries of the East Bellevue Community Council, which supports the proposal.

→ Councilmember Balducci moved to adopt Ordinance No. 6033, and Councilmember Degginger seconded the motion.

→ The motion to adopt Ordinance No. 6033 carried by a vote of 7-0.

11. Other Ordinances, Resolutions and Motions

(a) Mid-Biennium Budget

1. Ordinance for BLS Transport User Fee

Ordinance No. 6029-A adopting a new Chapter 4.50 of the Bellevue City Code to recover certain costs of providing Basic Life Support emergency medical services transport (Initial Fee is set at \$600 per transport plus \$14.00 per mile).

OR

Ordinance No. 6029-B adopting a new Chapter 4.50 of the Bellevue City Code to recover certain costs of providing Basic Life Support emergency medical services transport (Initial Fee is set at \$554 per transport plus \$12.84 per mile).

City Manager Sarkozy reviewed that Ordinance No. 6029 adopts the proposed Basic Life Support (BLS) transport user fee. This topic has been discussed previously with the Council as a revenue alternative and as an appropriate policy based on the practices of other jurisdictions.

Fire Chief Mike Eisner recalled Council discussions over the past three weeks regarding the proposed BLS transport fee. Two versions of the ordinance are presented for Council consideration, one with a base fee of \$600 per transport and the other with a base fee of \$554. Staff is recommending a revised financial assistance program that lessens the revenue estimates slightly.

→ Councilmember Robertson moved to adopt Ordinance No. 6029-A, and Deputy Mayor Lee seconded the motion.

Councilmember Robertson spoke to the motion, noting the Council's interest in preserving public safety service levels within significant budget constraints. She said that Bellevue is one of the largest areas in East King County that does not charge a basic transport fee for BLS services. Advanced Life Support (ALS) transport will continue to be offered at no direct charge to the patient.

Ms. Robertson noted that there will be a waiver of copays and deductibles related to the BLS user fee for Bellevue residents, as well as a process for applying for a waiver based on financial need. She said that under the City's current practices, approximately 30 percent of BLS patients are transported by private ambulance and charged by those independent companies. While she would prefer to not have to charge a fee, Ms. Robertson said that BLS transfer is used in situations that are not life threatening.

Deputy Mayor Lee said he is not happy to institute this policy, but the City is dealing with the realities of a depressed economy and reduced revenues. He feels comfortable that this will not impact life-threatening situations, and he will support the motion as a short-term solution.

Councilmember Degginger said that he cannot support the BLS transport user fee. BLS transport is a service that the City will provide with or without a fee, and the City collects taxes to provide the service. The fees collected will go into the General Fund. However, he believes that the General Fund should be supported by general taxes collected on a broad-based approach. Mr. Degginger noted that the practice of other cities in implementing a BLS transport fee does not provide a compelling rationale for Bellevue.

Mr. Degginger quoted a news article that states that the average Bellevue homeowner with a home valued at \$546,000 pays a total of \$650 in property taxes to the City per year. The proposed BLS transport fee to take a citizen to Overlake Hospital Medical Center is \$600, which he cannot support. Councilmember Degginger advised that the City should deal with the general revenue challenge in an appropriate way with the types of resources typically used to support the General Fund.

Mayor Davidson commented that he feels very similar to Councilmember Degginger. However, he will support the motion based on the City's budget shortfall. He has asked the Fire Chief to gather records on BLS usage and payments. He is concerned that citizens will be reluctant to call for help. Dr. Davidson noted that the issue has been discussed with the State Insurance Commissioner's office, including about whether it is appropriate to write off copays and deductibles. He is willing to try the fee for one year and to reevaluate at that time.

Councilmember Chelminiak concurred with Councilmember Degginger's comments, and stated that he will be voting no on the motion. While he is concerned about the City's declining revenues, that is not an appropriate rationale for implementing a \$600 fee on individuals using BLS transport. He would have preferred a utility tax over the BLS transport fee.

Mr. Chelminiak observed that the Council did not have a sufficient opportunity to determine the appropriate way to fund the budget shortfall. He looks forward to discussing budget policies next year.

→ Councilmember Degginger moved to extend the meeting until 11:00 p.m., and Councilmember Robertson seconded the motion.

→ The motion to extend the meeting carried by a vote of 7-0.

Councilmember Balducci said she will support the motion. She said there is a cost to providing the BLS transport service, which does not involve life-threatening situations. She observed that there has not been sufficient time to analyze all of the possible options.

Councilmember Wallace said he would have preferred Option B, which is a lower base user fee,

but he will support the motion.

→ The motion to adopt Ordinance No. 6029-A carried by a vote of 5-2, with Councilmembers Chelminiak and Degginger dissenting.

2. Ordinance No. 6034 relating to utility occupation tax rates of the City of Bellevue; amending Section 4.10.030 of the Bellevue City Code; and establishing an effective date

Mr. Sarkozy said the utility tax proposed by Ordinance No. 6034 was included as an alternative revenue source for the Council's consideration.

Mayor Davidson noted the lack of interest in proposing a motion on the ordinance.

3. Ordinances amending utility rate ordinances to pass increases in utility taxes to system customers

Ordinance No. 6035 amending Section 6 of Ordinance No. 5973, and passing the increase in utility occupation taxes of the City of Bellevue on water system businesses to water system customers; and

Ordinance No. 6036 amending Section 7 of Ordinance No. 5974, and passing the increase in utility occupation taxes of the City of Bellevue on sewerage system businesses to sewerage system customers; and

Ordinance No. 6037 amending Section 5 of Ordinance No. 5975, and passing the increase in utility occupation taxes of the City of Bellevue on storm and surface water system businesses to storm and surface water system customers.

[No action taken.]

4. Ordinance No. 6030 relating to the mid-biennial review and modification of the 2011-2012 biennial budget as required by RCW 35A.34.130 and Ordinance No. 4872; adopting certain modifications to the 2011-2012 biennial budget; and establishing an effective date.

Finance Director Jan Hawn explained that Ordinance No. 6030 is essentially a housekeeping item to make technical corrections to the Operating Grants and Donations Fund and to the Franchise Fund.

→ Councilmember Robertson moved to adopt Ordinance No. 6030, and Councilmember Wallace seconded the motion.

→ The motion to adopt Ordinance No. 6030 carried by a vote of 7-0.

- (b) Resolution No. 8351 authorizing execution of a 2010-2012 successor labor agreement by and between the City and the International Association of Firefighters Union, Local No. 1604, representing the Firefighters.

Mr. Sarkozy explained that Resolution No. 8351 authorizes the execution of a 2010-2012 successor labor agreement between the City and the International Association of Firefighters Union, Local No. 1604. The contract has a three-year net cost to the City of \$559,000, and is the result of extensive negotiations as well as mediation and specific interest arbitration. Staff recommends approval of the resolution, and funds are available in the proposed 2012 Budget.

→ Councilmember Balducci moved to approve Resolution No. 8351, and Councilmember Degginger seconded the motion.

Responding to Ms. Balducci, Mr. Sarkozy said there is a 2012 base budget previously adopted by the City Council. However, details related to the Mid-Biennium Budget have not been fully resolved. Those issues can be addressed now or early next year. In further response, Mr. Sarkozy said his recommendation stands to take the cuts necessary to balance the Budget, which includes further reductions in staff positions (Fire, Police, and Planning).

Councilmember Balducci said it feels awkward to address this item without working out the decisions of the overall Mid-Biennium Budget. Mr. Sarkozy said staff intended to address that more fully during the earlier Study Session. However, there was insufficient time. He suggested that the Council could continue the earlier discussion under Agenda Item 12, Unfinished Business. Mr. Sarkozy said the Budget is within \$1.6 million of balancing.

Ms. Balducci said she would prefer to defer action on this item. Mr. Sarkozy explained that management actions have been ongoing with regard to cuts in staff and services. The Mid-Biennium Budget process is intended to be a relatively limited review. However, with the continuing downturn in revenues, the Council is faced with additional challenges and decisions. Mr. Sarkozy noted the option of authorizing him to continue with management actions to manage the Budget or providing alternative policy direction to staff with regard to budget cuts.

Responding to Councilmember Degginger, Mr. Sarkozy confirmed that additional reductions to balance the Operating Budget translate to positions that are not filled and possibly diminished service levels. Mr. Degginger observed that the options are to adopt budget cuts or raise revenues. Mr. Sarkozy said a number of positions have been eliminated, and the ongoing management actions are extensive.

Mayor Davidson said it is difficult to provide a 3.7 percent increase for Police and Fire personnel, and to then have a budget shortfall on the revenue side. He appreciates their concerns to maintain cost-of-living pay increases. However, this puts the City in a difficult position in other areas. He recognizes the reality of labor negotiations, but is disappointed in the outcome.

Deputy Mayor Lee concurred that it is frustrating to be faced with the dilemma of providing a 3.7 percent pay increase to public safety employees, given the significant budget constraints. However, he feels there is little choice due to the labor union contract in place.

→ The motion to approve Resolution No. 8351 carried by a vote of 7-0.

Responding to Councilmember Balducci, Mr. Sarkozy said senior staff and the budget team have conducted an exhaustive process of reviewing and adjusting the budget. Approximately 44 positions in the General Fund have been cut, as well as an additional 26 in Development Services. The largest percentage of reductions have been to support services, with a priority on minimizing impacts to frontline services and public safety.

Mr. Sarkozy said he anticipates the need for further budget cuts as a result of the State's Budget cuts. These issues will be addressed with the Council next year during the next Mid-Biennial Budget process. Mr. Sarkozy commented that the downturn in revenues is unprecedented for the City, and staff continues to do everything they can to provide great services to the community.

Responding to Councilmember Balducci, City Clerk Myrna Basich said that, through the adoption of the umbrella Budget Ordinance, the Council has taken the necessary steps tonight. Additional budget adjustments can be addressed next year.

In further response, Mr. Sarkozy confirmed that two additional Fire Department positions will be cut, which represents a total reduction of eight full-time positions in the Fire Department. Four Bicycle Patrol positions in the Police Department, a Terrorism Task Force Officer, and a Senior Land Use Planner are eliminated as well. Staff will come back to the Council in January with salary adjustments for the balance of staff, which could include furloughs or other modifications within staffing.

Councilmember Balducci said it would be helpful to have a roadmap presented early next year about the Budget process going forward.

Mr. Sarkozy noted that the Mid-Biennium process typically does not involve many or any budget adjustments. However, the economy has forced certain decisions this time.

- (c) Resolution No. 8352-A authorizing execution of a new agreement with King County for housing of a portion of Bellevue inmates in the King County Jail (2020 option);

OR

Resolution No. 8352-B authorizing execution authorizing execution of a new agreement with King County for housing of a portion of Bellevue inmates in the King County Jail (2030 option).

Mr. Sarkozy requested Council action on Resolution No. 8352 regarding the housing of a portion

of Bellevue inmates in the King County Jail.

Councilmember Balducci noted her employment as Director of the King County jail system and recused herself from participating. She left the table for this agenda item.

Joyce Nichols, Interim Director of Intergovernmental Affairs, described the City's efforts to ensure there is an adequate supply of jail beds to house its misdemeanor population. She requested Council action to extend the City's existing contract with King County for inmate bed space from the current end date of 2016. The new agreement includes reduced booking fees, reduced inmate fees, and requires no minimum bed commitment.

Ms. Nichols noted that both options presented for Council consideration reduce the City's overall costs. Staff recommends Option A, which extends the current contract through 2020. Option B extends the contract through 2030. The contract offers additional flexibility for housing inmates with special needs (e.g., medical, psychological) and with special circumstances (e.g., work release, participation in methadone treatment program).

Ms. Nichols said that extending the contract through 2030 creates the potential liability of requiring the City to share in capital costs if King County decides to add new jail facilities. She noted that the City's separate contract with Snohomish County for jail beds expires in 2016, and extending the King County contract to 2020 provides a good overlap.

→ Councilmember Robertson moved to approve Resolution No. 8352-A, and Councilmember Chelminiak seconded the motion.

Responding to Councilmember Wallace, Ms. Nichols said that King County came to the City with an offer to reduce rates. The City of Bellevue has contracts with Snohomish County and the City of Issaquah, as well as an option to take inmates to the Yakima County Jail and to the new SCORE (South Correctional Entity) facility in Des Moines.

Ms. Nichols said there is a surplus of jail beds. However, that situation could change drastically over the next two years. Bellevue's practice is to maintain as much flexibility as possible by having a number of contracts and options. Ms. Nichols noted that one benefit of King County's jails is that they accept special needs inmates.

Responding to Deputy Mayor Lee, Ms. Nichols said the City's jail costs go down with either option.

→ The motion to approve Resolution No. 8352-A carried by a vote of 6-0, with Councilmember Balducci recused.

→ Councilmember Robertson moved to extend the meeting until 11:30 p.m., and Councilmember Wallace seconded the motion.

→ The motion to extend the meeting carried by a vote of 6-0.

12. Unfinished Business: None.
13. Continued Oral Communications: None.
14. New Business: None.
15. Executive Session
 - (a) City Manager's Performance Evaluation

At 10:37 p.m., Mayor Davidson declared recess to Executive Session to conduct the City Manager's Performance Evaluation. Councilmember Balducci rejoined the meeting.

The Executive Session was concluded at 12:48 a.m. on December 13.

16. Adjournment

Mayor Davidson declared the meeting adjourned upon conclusion of the Executive Session.

Myrna L. Basich, MMC
City Clerk

kaw