

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

April 5, 2010
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Deputy Mayor Lee, and Councilmembers Balducci, Chelminiak, Degginger¹, Robertson, and Wallace

ABSENT: Mayor Davidson

1. Executive Session

The meeting was called to order at 6:01 p.m., with Deputy Mayor Lee presiding. He noted an Executive Session scheduled for later in the evening at the end of the Regular Session.

2. Study Session

(a) Budget One

(1) 2010 Performance Measures Survey Preliminary Results

City Manager Steve Sarkozy reported that Councilmember Degginger would be arriving late due to a prior commitment.

Mr. Sarkozy opened staff's presentation of the preliminary results of the 2010 Performance Measures Survey. He noted that Bellevue is considered a national leader in its work with performance measure indicators.

Rich Siegel, Performance and Outreach Coordinator, provided an overview of the survey conducted earlier this year which resulted in 646 telephone and internet responses. He noted that the online respondents were younger and reflected a more representative cross-section of the community than past surveys using only the telephone.

Mr. Siegel reviewed 2007-2010 comparative results for key measures addressing whether Bellevue is a good place to live, value for tax dollar, the City's planning and direction, and

¹ Councilmember Degginger arrived at 7:10 p.m.

public safety. In 2010, 97 percent of respondents rated Bellevue as a good to excellent place to live, and 86 percent feel they are getting a good value for their tax dollar. A high percentage (88 percent) of respondents said they feel safe downtown after dark, and 84 percent reported that they feel safe in their neighborhoods after dark. When asked about overall quality of life, 84 percent responded that Bellevue exceeds or greatly exceeds their expectations. Similarly, 75 percent said Bellevue's quality of life is nearly ideal or ideal.

Mr. Siegel reviewed additional survey responses addressing the City's planning for the future, City services, responsiveness to citizens, protection of natural resources and the environment, transportation system, and public safety.

Mr. Sarkozy commented that the results are particularly rewarding given the economic conditions and the difficult issues facing the City during the survey period of January 29 to February 15, 2010. He noted that a couple of years ago, public safety was rated as the highest concern. In the current survey, transportation has risen to the top and public safety is a slightly lesser concern. Mr. Sarkozy said this is likely due to the addition of a fire crew in South Bellevue as well as the addition of police officers. These investments by the Council appear to correlate to a higher percentage of respondents indicating that they feel safe in their neighborhoods and downtown.

Mr. Sarkozy thanked everyone who participated in the survey. He commented that given the general climate of a down economy, he expected satisfaction levels to be lower. However, that was not the case and residents are reportedly as satisfied or more satisfied than in previous years. Mr. Sarkozy noted that the entire report is available on the City's web site.

Councilmember Balducci agreed that the numbers are reassuring, and it is nice to know that citizens are happy with what the City is doing. She expressed an interest in the demographics of respondents to the web-based survey. She speculated that if the web site was successful in attracting younger respondents, for example, she would expect that to be a group who feels safer after dark, especially in the downtown. Nonetheless, 2010 and previous years' results reflect a high level of satisfaction within the community. She questioned whether multiple responses could have occurred with the online survey.

Mr. Siegel clarified that the City knows it did not get multiple responses from single individuals for the internet survey because such access was closely controlled. He noted that past surveys have reached more residents in their 50s and 60s. Staff is therefore pleased that this survey was able to involve more residents aged 35 to 54 and under 35 years old.

Councilmember Balducci pointed out that transportation continues to be rated a top priority, while its performance measures are lower than other areas. She feels this highlights the need for more work within the area of transportation.

Responding to Deputy Mayor Lee, Mr. Siegel said the full report will provide more details on the demographics of respondents.

Responding to Councilmember Wallace, Mr. Siegel explained that the City reviews survey results from other cities that are provided through the International City and County Management Association (ICMA) performance measurement program. The City regularly benchmarks its survey data, as well as other municipal data, with other jurisdictions. This information is shared between ICMA member cities to learn about better ways for providing services and addressing needs.

Councilmember Wallace suggested conducting surveys that target people who have had a direct interaction with City staff and services. He further suggested it would be helpful to include businesses and their employees in similar surveys.

Mr. Siegel explained that the full report does include more detailed questions regarding direct contact with City personnel, for example with the Police.

Acknowledging Mr. Wallace's comment about comparing to other cities, Mr. Sarkozy noted that Bellevue's survey ratings tend to be higher than most cities.

Deputy Mayor Lee commented that this is good news, especially during the difficult economic times. He reiterated staff's comments that Bellevue is regularly involved in comparable analysis with other cities, and tends to be a leader in its performance management. Mr. Lee commended City staff for their hard work.

Mr. Sarkozy stated that this was a team effort, which provides foundational work for the budget.

(2) Presentation of Safe Community Outcome

Mr. Sarkozy opened staff's presentation of the safe community outcome identified as part of the Budget One process. This new budget approach responds to the Council's interest in receiving a holistic view of the budget and the opportunity to examine all aspects of the operating and capital budgets.

Deputy City Manager Brad Miyake reviewed that the Budget One outcomes identified by the Council are safe community; improved mobility; innovative, vibrant, and caring community; quality neighborhoods; healthy & sustainable environment; economic growth & competitiveness; and responsive government.

Finance Director Jan Hawn reviewed the overall budget process and the Council's role from a policy, revenue, and expenditure perspective. She noted the need to involve the Council more continuously throughout the year than in some previous budget cycles. Staff will update the financial forecast as soon as possible, which will be presented to the Council during the April 26 Extended Study Session workshop. A discussion of revenues to be dedicated to each outcome area is scheduled for May 24, and early budget direction will be requested in early July. A preliminary budget will be presented to the Council in September, and discussions will be ongoing until the Council's adoption of the budget in December.

Nav Otal, Budget One Project Manager, reviewed the process by which the broader outcomes will ultimately be represented by program proposals. The outcomes are used to create community value statements (e.g., preparedness to respond to emergencies) and community indicators (e.g., percent of residents who agree that Bellevue is prepared to respond to emergencies). Results Teams will ultimately review and rank the proposals.

Results Teams include staff from many departments. Staff members are not representing their departments but review the proposals from a citizen perspective, while relying on evidence that has been collected. The teams consult with internal and external subject matter experts; citizen survey data; city plans and reports; national and international publications; municipal and federal associations; and other entities using a budgeting for outcomes approach. The Results Teams use all of these sources to develop factors (e.g., Response) and sub-factors (e.g., Responders and Resources) that contribute to the indicators. This results in the identification of purchasing strategies, or requests for results, that support the sub-factors and factors. Within identified purchasing strategies, program proposals are created and submitted by staff for review by the appropriate outcome Results Team.

Ms. Otal noted that there is a fair amount of overlap between outcome categories. Staff has been directed to focus each proposal on one outcome area that best represents the purpose of the proposal. Each Results Team develops its specific purchasing strategies or criteria for reviewing the proposals. Citywide purchasing strategies suggested by the City Manager are efficiencies and cost savings; innovation and creativity; collaboration and partnerships; short- and long-term impacts; environmental stewardship; and the enhancement of Bellevue's image.

Proposals will be ranked by the Results Teams based on the Citywide purchasing strategies, outcome-specific purchasing strategies, supporting evidence and logic, application to multiple outcomes and/or purchasing strategies, effectiveness and ability to measure performance, ability to implement the proposal, and efficiency/value.

Kyle Stannert, Public Records Manager, introduced the Safe Community Results Team members as well as two subject matter experts, one each from the Police and Fire Departments. A budget analyst is also working with each team.

Mr. Stannert noted the two community value statements identified by the Safe Community Results Team. He explained that the team is conscious of the budget challenges and the need to identify opportunities for cost savings and doing things differently than they have been done in the past. He then described how the Results Team went through the process described by Ms. Otal.

Mr. Stannert reported that the Safe Community Results Team is seeking proposals that encourage and support the factors of prevention, response, planning and preparation, and community engagement. In addition to being responsive to public safety concerns, the proposals should offer long-term sustainable results, reflect a customer support focus, and encourage and support innovative approaches for responding to accidents, crimes, fires, medical emergencies, and broader public emergencies. The Results Team is seeking proposals that encourage and

support planning and preparation, and that encourage community engagement in terms of volunteerism, neighborhood and business involvement, and partnerships.

Mr. Stannert noted that next steps in the Budget One process are the Council's review of information presented by all of the outcome Results Teams, followed by the development of budget proposals by department teams for submittal to the Results Teams.

Deputy Mayor Lee commended staff on the budget work that has been completed since January. [He noted Councilmember Degginger's arrival to the meeting.] He expressed an interest in the public's expectations about City services as compared to their satisfaction with services and programs.

Mr. Sarkozy said the budget process will involve decisions by the Council about what is best for the community, among a number of competing priorities, and what the appropriate tax rate is to provide the desired services.

Councilmember Degginger questioned how much staff time has gone into getting the Safe Community Results Team to its current point. Mr. Stannert said the team has met approximately 1.5 hours every week to reach its findings. Additional time has been spent individually, typically within the range of two hours per week.

In further response to Councilmember Degginger, Ms. Otal said that the review of the entire budget will require a significant investment of time throughout the organization. Staff will prepare and present proposals to the Results Teams, which will then review and rank the proposals.

Mr. Miyake reminded the Council that past budgets have required significant staff time as well. However, the Budget One process involves nearly everyone in the organization while the past process involved a fewer number of staff members.

Ms. Otal stated that she will provide a rough estimate of the time involvement.

Deputy Mayor Lee noted that staff has expressed a commitment to the Budget One process, especially based on the experiences of other jurisdictions with this approach.

Councilmember Balducci suggested that the Council be involved in a debriefing of the process once it is completed, to better understand what worked well and what could be done better next time. She said it is important that the process add value for the organization. Taking a look at the entire budget in this manner will provide a base understanding of how priorities are reflected and funded in the budget. Ms. Balducci suggested that it will take more than one or two budget cycles to realize the benefits of using the new outcome-based approach. She appreciates the involvement of all staff and the different perspectives this will provide.

Responding to Ms. Balducci, Mr. Stannert confirmed the Safe Community Results Team's understanding about the importance of both being safe in the community and feeling safe.

Councilmember Balducci suggested that the community indicators go beyond the public's perceptions and satisfaction to include concrete measures such as crime statistics. As a separate issue, she questioned how the Budget One process will handle priorities established in the past such as the costs associated with maintaining department accreditations.

Mr. Sarkozy noted a similar policy priority for the City, which is maintaining its AAA bond rating. This bond rating is based on how the capital budget is managed. The Budget One process will potentially highlight these priorities and examine whether they are the appropriate mechanisms for achieving the City's desired outcomes.

Councilmember Chelminiak acknowledged that staff has been doing a great deal of work on the budget process. However, he opined that the Council has not been using its time to address the policy issues that will ultimately determine budget priorities. A second issue is whether and how Boards and Commissions might be involved in the budget process. As an example, the Human Services Commission regularly submits its request for funding allocations. Traditionally the Council provides approximately the same level of overall funding with an adjustment for inflation. Mr. Chelminiak questioned whether and how this activity will be incorporated into the outcome-based budgeting process. He wondered how the priorities of the Human Services Commission, as an example, will mesh with the priorities established by the outcome Results Teams.

Ms. Otal said staff plans to provide more information next week regarding the specific involvement of each Board and Commission. The Boards and Commissions can review proposals and provide input to the Result Teams. However, the Results Teams' rankings will be based on data and evidence. Historically the City has not had the level of fiscal constraint that currently exists. Therefore it is possible there could be conflicts in priorities between Results Teams and the Boards and Commissions.

Councilmember Chelminiak observed that both the Arts Commission and the Human Services Commission do extensive fact-based work and research in developing their funding recommendations. He questioned whether a certain amount of money will continue to be designated for these priorities.

Ms. Hawn said no change from past practices is proposed for the Human Services Commission. The Council has set aside a certain revenue source specifically for human services, and until staff receives different direction from the Council, it is assumed that this funding will continue.

Councilmember Degginger observed that it is difficult to consider policy issues, for example reserve policies, without knowing the level of resources that will be available. Ms. Hawn confirmed that discussions about policies and revenues will continue throughout the budget process as proposals and outcomes are reviewed and prioritized.

Councilmember Balducci noted the role of the Transportation Commission in prioritizing the Transportation Capital Investment Program (CIP) Plan. She expects that staff will be briefing the

Commission about what Budget One means to them and how they will have input into the process. She expects that Boards and Commissions will have the opportunity to provide substantive input into the process. Otherwise the Council is severely limiting the purpose of Boards and Commissions.

Mr. Miyake acknowledged that Boards and Commissions will continue to function in their advisory roles to provide a valuable perspective for the Council and community.

Councilmember Balducci suggested that Boards and Commissions have input into the strategies that will drive program proposals, as well as input into the ranking of proposals.

Mr. Miyake said staff will provide additional information in writing.

Deputy Mayor Lee summarized the Council's interest in ensuring that the Results Teams have adequate information regarding the citizens' perspectives.

Councilmember Wallace questioned how the budget process will address legal mandates and obligations.

Ms. Otal described how mandates are handled in this process. The first layer is purely data driven in terms of how any given proposal meets a desired outcome, regardless of funding levels or mandates. The second layer is to evaluate mandates to determine whether and how they contribute to desired outcomes. While the current process will not be able to alter mandates, the long-term strategy might include working to change certain mandates.

Mr. Miyake said the remaining six Results Teams will present to the Council in the coming weeks.

3. Discussion

- (a) Consideration of application of Nat Franklin of Franklin West, LLC (Kelsey Creek Center) for a rezone to repeal the prior concomitant zoning agreements (CZAs) for Kelsey Creek Center, and to replace them with a new CZA or a development agreement. The project is a 16-acre area at the corner of 148th Avenue SE and Main Street, which used to be anchored by the vacant K-Mart department store. The site is zoned Community Business (CB) and is located within the jurisdictional area of the East Bellevue Community Council.

Land Use Director Carol Helland provided a brief report regarding the Kelsey Creek Center rezone application. The applicant requests rezone approval to repeal the original concomitant zoning agreement (CZA) and its subsequent amendments, and to replace it with a new CZA that addresses how the creek culvert is to be handled. Ms. Helland explained that the site includes four lots, one of which is a native growth protection easement. The Hearing Examiner's recommendation requires that the remaining three lots be developed as one parcel.

Ms. Helland reviewed the key components of the 2010 concomitant zoning agreement (CZA). She noted that this is a quasi-judicial matter and a Process III rezone. The application will ultimately be forwarded to the East Bellevue Community Council for action. It will be presented to the City Council for action on April 19. The Hearing Examiner recommends approval of the rezone with conditions that ensure compliance with all City development standards and regulations.

The rezone involves a fee-in-lieu provision that will be used to fund off-site mitigation to Kelsey Creek and Larsen Lake. The mitigation plan provides the same or greater environmental functions and values that would have been achieved had the culvert on site been removed and replaced with an open stream channel. The plan involves several stream enhancements, replantings, and wetland improvements.

Responding to Councilmember Balducci, Ms. Helland addressed the uses to be allowed on the site. She explained that, in the 1980s, sometimes shopping centers were rezoned to a higher zoning level to allow larger building dimensions. However, the Neighborhood Business (NB) land use classification was retained to ensure compatibility with neighborhood character. This was the case with the Kelsey Creek Center. The only change affecting the site's use since 1987 is to impose a size limitation, which is considered necessary if the stream will not be daylighted. The daylighting requirement considered several years ago would have effectively limited the size of buildings on the site because it cuts through the property.

Ms. Helland responded to additional brief questions of clarification.

Councilmember Balducci noted an email received that day from a Bridle Trails resident inquiring about the four parcels involved at Kelsey Creek Center. Ms. Helland said she responded to the resident, and he is satisfied with the response. She concurred that this should be disclosed as an ex parte communication when appropriate.

City Manager Steve Sarkozy noted guests celebrating the Bellevue Youth Symphony's 45th season. He invited Council and the public to enjoy their music in the concourse before the Regular Session.

At 7:56 p.m., Deputy Mayor Lee declared recess to the Regular Session.

Myrna L. Basich, MMC
City Clerk

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