

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

October 18, 2010
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Davidson, Deputy Mayor Lee, and Councilmembers Balducci, Chelminiak¹, Degginger, Robertson, and Wallace

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:02 p.m., with Mayor Davidson presiding. There was no Executive Session.

2. Study Session

(a) Participation by Telephonic Communication for Councilmember Chelminiak

City Clerk Myrna Basich provided instructions for allowing Councilmember Chelminiak to participate in the meeting via telephone. The Council currently has no rule governing telephonic participation by Councilmembers. Ms. Basich explained that Council action is necessary to amend Council Rules to allow remote participation for some period of time, such as through year-end.

→ Councilmember Degginger moved to amend Council rules established in Resolution Nos. 6399 and 5987 to allow Councilmember Chelminiak's remote participation by speakerphone at all regular meetings of the City Council through December 13, subject to extension if needed. Councilmember Robertson seconded the motion.

→ The motion carried by a vote of 6-0.

Via speakerphone, Councilmember Chelminiak thanked Council for the opportunity to participate.

Mayor Davidson welcomed Councilmember Chelminiak back.

¹ Councilmember Chelminiak participated via telephone as he continues to recover from injuries related to the bear attack.

(b) Continued Discussion of the 2011-2012 Operating Budget by Outcome

City Manager Steve Sarkozy made introductory comments about the Council's continued budget discussions.

Mayor Davidson recalled the list started during Council's October 11 discussion, and suggested making separate lists going forward for questions versus suggested budget additions or reductions.

Patrick Foran, Director of Parks and Community Services, opened staff's presentation regarding the Innovative, Vibrant and Caring Community Outcome, which represents approximately eight percent of the total budget and 13 percent of the General Fund budget. The Parks and Community Services Department makes up the majority (90.6 percent) of the Innovative, Vibrant and Caring Community Outcome, and the remaining portion is primarily represented by the Department of Planning and Community Development. For this outcome, the preliminary budget accomplishes core maintenance for the parks system; recreation programs; human services and affordable housing funding; basic support for Arts, Cultural Diversity and Community Events; and support of the City's key planning and development initiatives. Key performance indicators are satisfaction with parks and recreation programs, volunteer participation in City programs, registered visits to recreation programs, and residents served by human services contract agencies.

Mr. Foran reviewed the proposed reductions in Parks recreation programs including reduced public use of community centers and facilities; eliminating the program subsidy at the Northwest Arts Center; redirecting Youth Link resources to other youth programs, eliminating cash contributions to BDA special events; and increasing rental and class/program fees. Maintenance service adjustments include reducing landscaping and right-of-way maintenance by 22 percent; targeted restroom closures or removal of sani-cans; reduced Community Center janitorial services; reduced landscape maintenance at City Hall and other facilities; eliminating parking lot sweeping contracts; and reductions in seasonal help, contract services, materials and supplies.

Dan Stroh, Interim Director of Planning and Community Development, noted a reductions in the annual contribution to the Housing Trust Fund; a 36-percent reduction in the funding of arts organizations; and a lack of funding for the Downtown Livability Initiative.

Mr. Foran explained that revenue enhancements are proposed for Parks programs including increased rental fees, program charges and contract percentages to the City; increased Northwest Arts Center program fees and rentals; and elimination of the General Fund subsidy to the Bellevue Aquatics Center by lowering costs and reducing staff for the Enterprise Fund. Surplus golf course funds allow the elimination of the General Fund subsidy to the Aquatics Center.

Mayor Davidson requested a list of all adjustments to fees and charges in table form. Mayor Davidson requested an analysis of the feasibility of maintaining a Youth Link advisory committee without having to support the administrative demands of the Youth Link Board.

Responding to Councilmember Degginger, Mr. Foran described staffing reductions in recreation programs and confirmed that Youth Link staff are being redirected to the Wrap Around Services Program. However, the City received a grant for the Wrap Around Services Program after this budget proposal was drafted, and it might now be possible to restore some of the Youth Link staffing reduction. The grant funds Wrap Around Services staff for a limited term of approximately 17 months.

Councilmember Degginger questioned the underlying rationale for this proposal. Mr. Foran said staff looked at basic needs and ways to have the most impact to the broadest part of the community. Using Youth Link as an example, the City has had three staff, each devoting more than half of their time, managing the Youth Link Board's governance function. It was determined that keeping Community Centers open and the Wrap Around Services program functioning have broader positive impacts for the community.

Councilmember Balducci complimented the new budget format, but noted that it is still hard in some cases to understand the proposals, and specifically to understand what is being eliminated in the new budget. Responding to Ms. Balducci, Mr. Foran referred to the Youth Link Program white paper on SS 2-49 of the meeting packet. The Youth Link budget proposal does not support the Youth Link Board, Youth Link Council, 24-Hour Relay Challenge (which has failed to obtain sponsorship for the past two years), the *Outspoken* newspaper, the youth café program at Jubilee Reach Center, Gumbo Night, and the Teen Closet. Remaining programs are the Community Leadership Awards, Youth Involvement Conference, Youth Court/Child Safety Initiative, skate park, and Ground Zero with the Bellevue Boys and Girls Club.

Mr. Foran noted that the programs recommended for continued funding are those that reach the broadest community. Mr. Foran explained that the original Youth Link concept envisioned the involvement of many more community partners. However, the program has been funded and staffed entirely by the City.

Councilmember Balducci stated her understanding that the Youth Involvement Conference is an educational opportunity centered around the idea of youth generating ideas for programs, projects, and services that are ultimately implemented through the Youth Board. She questioned whether the conference will be meaningful without the Youth Link Board and Council in place. Mr. Foran noted that the conference is held every two years. Staff suggests holding the conference in 2011 and using it as a forum for focusing on alternative ways to achieve the Youth Link program goals.

Councilmember Balducci suggested that a family services coordinator for the Wrap Around Services program should be a high priority.

Deputy Mayor Lee articulated his interest in the Youth Link program, and said he is hesitant to endorse staff's budget cuts. He feels that the Youth Link Board and Council are important for youth, and he would like to preserve them.

Councilmember Degginger spoke in favor of Youth Link programs, but noted that a number of leadership programs are available to youth. He said it would be helpful if staff could provide some insight on other opportunities.

Mr. Degginger spoke to reductions in parks maintenance, and questioned what people will and will not notice. A second question referred to a proposal to add staff and to reduce contract labor. He also questioned the mediation program.

Councilmember Wallace referred to page SS 2-15 of the packet, and questioned the statement about the contract prevailing wages of \$40 per hour.

Mr. Foran explained that the State has issued a ruling that the prevailing wage for certain landscape labor is \$40 per hour. Under this ruling, the City's contracts will increase by 100 percent. It was determined that adding five FTE positions, including their employee benefits, results in a net budget reduction of \$200,000.

Responding to Mr. Degginger, Mr. Foran referred the Council to page SS 2-51 of the packet and reviewed the impacts of the proposed budget reductions in parks maintenance services.

In further response, Mr. Stroh said the proposal to retain the neighborhood mediation program is based on decision criteria related to neighborhood activities including opening and maintaining channels of communication, training, and working cooperatively on issues that impact one or more neighborhoods.

Councilmember Robertson expressed concern about keeping programs over maintaining and taking care of the City's properties and facilities. She would like to move the Downtown Livability Initiative above the funding line as well.

Ms. Robertson questioned the timing of the ADA facilities and program assessments work item. Human Resources Director Yvonne Tate responded that the City conducts periodic assessments to maintain compliance with federal laws regarding the accessibility of facilities and programs. The City's last self-evaluation was approximately 10 years ago, and new facilities have been added. In further response, Ms. Tate said the assessments are prioritized based on the facilities that have the most public use. Delaying the assessments will impact accessibility if deficiencies are later found. Councilmember Robertson said she would like more information about the consequences of deferring this work.

Councilmember Robertson questioned whether the Youth Health and Fitness item could be contracted. She noted that there are a number of fitness and youth athletic programs already in existence. Mr. Foran said a number of the activities are currently contracted services (e.g., climbing wall, ropes course). Youth sports fills a niche of entry-level, non-competitive activities provided by Skyhawks Camp, a private contractor. TRACKS is an in-house program offering activities that are not widely provided by other organizations, and it serves youth who are not inclined to participate in competitive sports. Programs provided by contractors serve specific needs and are self-sustaining.

Councilmember Robertson suggested it might make more sense to take care of landscaping treatments and sports fields instead of duplicating youth health and fitness programs available from other entities. She asked that Youth Health & Fitness be placed on the list for further discussion.

Ms. Robertson referred to the Bellevue Youth Theatre proposal [Page SS 2-24] and noted the cost of \$550 per participant per year. She asked if the City has looked at achieving cost recovery, grant funding, and/or partnership funding. Mr. Foran said the original proposal included budget and staffing reductions, as well as utilizing more volunteers. The revenue generated is approximately \$120,000 per year.

Mr. Foran commented that the Youth Theatre program is not just about the performers, but it is intended to involve parents and volunteers in a community-building effort. The program's impacts go beyond the individual performers. Mr. Foran said staff will provide additional details.

Responding to Councilmember Robertson, Mr. Foran said the Cultural Diversity proposal eliminates one staff position. This program involves activities that the City facilitates or produces related to learning about and appreciating cultural diversity. In further response, Mr. Foran said the preliminary budget retains the lifeguard program. The reductions refer to seasonal employees more involved in parks maintenance.

Councilmember Wallace questioned the increase in the prevailing wage for landscapers, as determined by the State, during an economic recession. Mr. Foran said he will provide more information on this issue to the Council. The City and the Association of Washington Cities are concerned about the increase as well, and are addressing it with the state legislature. Mr. Foran noted that the \$40 per hour rate applies to a class of workers, including landscapers. The Parks Department continues to hire a number of outside contractors, but they fall into different classifications in terms of prevailing wage. Staff will provide additional information on the personnel costs associated with street trees, landscaping, and vegetation management.

Councilmember Degginger requested staff's analysis that indicates that employing full-time staff is less expensive than outsourcing.

Councilmember Wallace suggested that the Downtown Livability item is more appropriate to economic development. He questioned what could be done for less than \$300,000, and whether this could be combined under multiple outcomes.

Responding to Mr. Wallace, Mr. Foran said the City does not provide cash contributions to the 4th of July celebration. The City works with the BDA to coordinate the event and related parks operations, and this has not been eliminated in the budget. Councilmember Wallace spoke in favor of the City contributing to the annual jazz festival and similar events because of their relationship to economic development.

Councilmember Wallace requested further discussion about the proposal that reallocates some expenses from the General Fund to the capital budget.

Councilmember Chelminiak reminded the Council of the Human Services Commission's presentation and request for an additional \$112,000 in funding. Mayor Davidson confirmed that the Council added that to the list of priorities.

Mr. Chelminiak questioned the implications of deferring right-of-way maintenance for a few years and later potentially restoring service levels for those properties. Mr. Foran said staff has not analyzed the potential costs of reestablishing the current maintenance standards. He explained that the City would focus on preserving and maintaining the more recent landscape enhancements and improvements that have made a significant difference in certain neighborhoods. Existing areas with limited landscaping would be a lower priority. Mr. Foran said the City will continue its focus on maintaining a healthy tree canopy.

Councilmember Chelminiak expressed concern about adjustments to parking lot maintenance and the forecast for a fairly severe winter. He asked about plans for emergency situations. Mr. Foran said the City will be able to keep parking lots open to access shelters in emergency. The proposed budget eliminates street sweeping contracts. As a result, on a less frequent basis staff will go around to areas that typically flood to clean out storm drains by hand.

Councilmember Chelminiak observed that there is a wide range of thought on the nature of the Downtown Livability Initiative. He recalled that originally it was primarily focused on development incentives. He feels that, before moving forward on this initiative, it is important to define the purpose and plan (i.e., "surgical" approach to incentives versus broader Comprehensive Plan policy review). Mr. Chelminiak favors the more narrow incentive-based approach.

Responding to Councilmember Degginger, Mr. Stroh said the incentive system was a key part of the original Downtown Livability Initiative. However, the effectiveness of the incentives has not been formally evaluated in many years. Another element of the approach is design guidelines, which are used by permit review staff to evaluate applications against the City's objectives. While concepts in the Downtown Subarea plan have been updated, there has not been a coordinated review of this plan and the Downtown Livability plan. Mr. Stroh noted that the pedestrian component of downtown planning has not been updated in some years.

Councilmember Balducci questioned whether reduced funding support for special events (e.g., annual jazz festival) would be temporary or permanent. She feels it is important to understand the implications for restoring a program or service when considering budget cuts or reductions. For example, it would be relatively easy to resume landscaping treatments in a year or two. However, reduced funding to arts organizations might have permanent consequences because some groups will not be able to sustain themselves.

Councilmember Balducci added the arts program to the budget priority list. She acknowledged that the Council is restoring deleted budget items, and that the funding demands will need to be addressed.

Deputy Mayor Lee requested a list of activities and community organizations involved in the Cultural Diversity program. Noting the important role of downtown economic development, he expressed support for adding the Downtown Livability program to the priority list.

Councilmember Robertson echoed Councilmember Wallace's comments about the importance of special events to the local economy. She recalled her interest in considering an annual business license fee, and suggested that a portion of the proceeds could be contributed toward special events. Councilmember Robertson noted the number of staff in the audience and questioned whether it would be more cost effective to not require so many to attend.

Moving on, Mr. Foran reviewed the Quality Neighborhood Outcome, which includes programs and services in Parks and Community Services, Planning and Community Development, Development Services, and Transportation. The preliminary budget preserves core maintenance for parks, playgrounds and sports fields; code compliance services; neighborhood outreach programs; and school partnerships. The budget eliminates the citywide horticulture program and reduces seasonal help, contract services, materials, and supplies. The budget attempts to preserve items serving the broader community (e.g., sports fields).

Mr. Stroh noted that one enhancement not funded is the neighborhood shopping centers redevelopment effort. The Development Services budget also increases the response time for handling lower priority code compliance cases. The Transportation budget eliminates the design and construction of neighborhood calming devices such as traffic circles and speed bumps. A proposed revenue enhancement is to charge residents for a portion of the Residential Parking Zone operating/enforcement costs.

Councilmember Degginger opined that it is not right to charge residents for a portion of these costs. He requested adding this item to the list for further discussion.

Mayor Davidson requested a list of all proposed revenue enhancements in the preliminary budget.

Responding to Councilmember Balducci, Transportation Director Goran Sparrman said citations under the Residential Parking Zone program do not cover the cost of the program. The net cost is approximately \$100,000 per year. In further response, Mr. Sparrman said staff will calculate what fine would be required to achieve full cost recovery. He noted that the revenue would need to cover enforcement as well as a share that goes to the district court system.

Responding to Councilmember Robertson, Mr. Foran said City and school sports fields will be maintained at the same level. The City maintains and schedules the Bellevue School District fields in order to maximize the usage of the facilities. In order to offset expenses, the City retains

revenues for everything except the high school stadiums. Ms. Robertson requested cost recovery information on sports fields.

Responding to Councilmember Robertson, Mr. Sparrman said the educational component of the traffic calming program is retained in the Operating Budget. However, the construction of projects is not funded in the preliminary CIP Plan.

Responding to Deputy Mayor Lee, Mr. Stroh said the neighborhood shopping center initiative was developed with economic development staff to respond to residents' interest in preserving needed services. The idea is to work in partnership with the neighborhood and businesses to identify and move forward with a plan. Mr. Stroh said staff will continue to work on this effort at some level, despite the loss of a dedicated 0.5 FTE position.

Responding to Mayor Davidson, Mr. Stroh said the fee for the neighborhood mediation program is minimal, and scholarships are available for those unable to pay.

- (c) East Link: Status Update on Developing a Memorandum of Agreement for the Downtown Tunnel Alternative (C9T)

Mr. Sarkozy recalled that the City is working on negotiating a Memorandum of Agreement (MOA) with Sound Transit related to the light rail downtown tunnel.

Diane Carlson, Director of Intergovernmental Relations, reviewed the timeline for developing the MOA by next spring, to coincide with the release of the Final Environmental Impact Statement (FEIS) on the East Link light rail project. The MOA will address access to City property and rights-of-way, one-time tax revenues, in-kind services (e.g., streamlined permitting), and responsibility for East Link capital projects. Mitigation measures will be addressed as well.

Ms. Carlson said staff recommends using a strategic adviser and a financial tax expert to help with the City's analysis and negotiations. Funding for these activities has been included in a budget proposal entitled East Link Analysis and Development, and the preliminary cost estimate for these services is \$300,000-400,000.

Mayor Davidson referred the Council to page SS 2-83 of the meeting packet, in which the previously adopted Term Sheet states that the Memorandum of Agreement will be completed following completion of the Final Environmental Impact Statement (FEIS) process.

Councilmember Chelminiak urged moving forward with appraisals on City rights-of-way, for the Downtown tunnel, B7, and other segment alignments, in preparation for moving forward with the tunnel MOA and overall project analysis. He would like to hire a financial tax expert as soon as feasible to determine what might be able to be deferred on the sales tax and the B&O tax. He suggested identifying projects for potential partnerships along the NE 15th/16th Street corridor. He would like to move forward immediately on these contracts, rather than waiting until January.

October 18, 2010 Study Session

Councilmember Degginger concurred that time is becoming critical. He asked that staff prepare a proposal for Council consideration as soon as possible.

Councilmember Robertson concurred as well. She would like to have the tax information mentioned by Councilmember Chelminiak for consideration during this budget process. She would also like to be looking at all City right-of-way dedications for all light rail segments because they all will be relevant. When the Supplemental DEIS (SDEIS) is issued, within the next week or so, the Council will have more information about Segment C alternatives that were not in the DEIS. She requested a Study Session on those new segments. While there is unanimous Council support for a Downtown tunnel, Ms. Robertson feels it is necessary to identify alternatives and to remain opposed to at-grade solutions.

Councilmember Balducci observed that the purpose and focus of this work is to prepare the Council to be strategic and to have as much leverage as possible going into the negotiations with Sound Transit. She urged moving forward as soon as possible.

At 8:00 p.m., Mayor Davidson declared recess to the Regular Session.

Myrna L. Basich, MMC
City Clerk

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