

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

November 1, 2010
6:00 p.m.

Council Conference Room
Bellevue, Washington

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

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:01 p.m., with Mayor Davidson presiding. There was no Executive Session.

Mayor Davidson welcomed Councilmember Chelminiak back to the Council table. Mayor Davidson commended John and Lynn Chelminiak's resilience in the aftermath of the bear attack on Mr. Chelminiak.

Mayor Davidson presented Mr. Chelminiak with a tee shirt stating, "I won," a reference to a comment he made during an early press interview from the hospital. Mayor Davidson noted that, with Councilmember Chelminiak back to help the Council debate and decide the big issues before the City, the Council and entire community won as well.

Councilmember Chelminiak thanked his fellow Councilmembers for their concern and support. He extended his personal thanks to Councilmember Degginger, who has been a great help as a liaison to the Council as well as a very good friend to Mr. Chelminiak and his family. Mr. Chelminiak said that his wife has been spectacular in dealing with the entire situation.

Councilmember Chelminiak shared that this experience has reinforced the importance of family, faith and community for him. He commented on his recovery and the inspiration he felt from cards and notes. Mr. Chelminiak said he has great respect for public safety and human resources personnel who deal with these difficult and traumatic situations. He said he is doing well, and he thanked the citizens he serves and the people who work at City Hall.

Mayor Davidson took a moment for a photo opportunity with the full Council.

2. Study Session

(a) Continued Discussion of the 2011-2012 Operating Budget by Outcome:
Economic Growth and Competitiveness, and Safe Community

City Manager Steve Sarkozy opened continued discussion regarding the Operating Budget. He reviewed key elements of the preliminary budget including no new taxes, maintaining public safety and other critical services, and continuing to support human services.

Mr. Sarkozy explained that tonight's meeting includes presentations for two budget outcome areas: 1) Economic Growth and Competitiveness, and 2) Safe Community. He briefly reviewed the budget schedule, and noted an expanded public outreach component on the City's web site.

Bob Derrick, Director of Economic Development, said it is great to see Councilmember Chelminiak back. He provided an overview of the Economic Growth and Competitiveness outcome, which in addition to his office involves Development Services, Bellevue Convention Center Authority hotel/motel tax collections, and the Transportation, Fire, and Utilities Departments. The preliminary budget accomplishes collaborations and partnerships, right-sized development review services, and ongoing support for Meydenbauer Convention Center. Economic strength and competitiveness is further enhanced through proposals within the Safe Community; Improved Mobility; Responsive Government; and Innovative, Vibrant and Caring Community outcomes.

Mr. Derrick said a number of funding reductions are proposed for the Office of Economic Development affecting memberships and sponsorships, small business development, studies, and Sister Cities activities. One proposal falling below the funding line is listed as New Capital Funding for the Bel-Red Corridor. This proposal relates to lobbying for federal funds for the redevelopment of the Bel-Red Corridor. Potential policy changes include an annual business license fee, which would generate revenue to support economic development activities, and the implementation of a downtown parking kiosk, which would be revenue neutral in the first biennium but revenue generating in future years.

Deputy Mayor Lee said this is a high priority for him, as economic development relates directly to quality of life. He said we have been struggling to identify a concrete project to emphasize that will make a difference. He is proud of the quality of life in Bellevue. Mr. Lee said this is an opportunity to focus on what we can do to help Bellevue, and to let people know how wonderful Bellevue is to locate businesses and to live. He noted the need to be more deliberate and strategic, and to provide appropriate resources. He feels that Bellevue needs to market itself and the community. He would like to leave these proposals on the table for discussion. Mr. Lee said he would like to know more specific information (i.e., How much are we saving? What marketing effort do we need? How much money would it take?). He spoke in favor of maintaining the Bel-Red Corridor as a high priority.

Councilmember Robertson followed up that Bel-Red Corridor lobbying should be moved above the funding line. This is the kind of project that federal dollars want to support. Spending some money to leverage more outside investment can build the needed infrastructure that is required to

launch Bel-Red. She would also like to fund a Blue Ribbon Panel or Committee on Economic Development. She said there are many people in the community who are smart and engaged, who can provide good ideas on how to leverage what we have going and get our economy healthy again. She envisions a six-month panel to put everything on the table and come up with ideas on how to make Bellevue more competitive.

Councilmember Chelminiak said he would like to see a list of the groups, funding levels, what is being reduced or eliminated, and what is being proposed. He noted that some memberships are dependent on travel, such as the Trade Development Alliance. He suggested looking into whether the City can continue some memberships at a lower level.

Mr. Chelminiak noted that the Council will be receiving a list of contracts that will be looked at to determine the potential for cost savings. He questioned whether the City's current federal lobbyist is capable of handling lobbying for the Bel-Red project. Instead of adding money, Mr. Chelminiak suggests looking at what the City is spending now on lobbying trips and determining how to make those dollars go farther. He noted that the elections on November 2 could affect the City's strategy and the feasibility of achieving federal funding.

Councilmember Degginger agreed that economic development and competitiveness encompasses more than just the line items in the budget proposals. He spoke to the importance of transportation investments in ensuring the ability of the City to remain economically competitive. He said that any federal lobbying for Bel-Red funds will require the City to demonstrate its financial commitment to investing in the area's redevelopment and providing appropriate infrastructure. Mr. Degginger concurred with the importance of leveraging resources.

Councilmember Balducci observed that the new budget format presents a broader perspective in terms of the role of economic development throughout the City's operations. She noted the importance of good schools in economic development. Referring to the Cause and Effect Map [Page 2-11 of the meeting packet], she asked whether the City is measuring the listed community indicators. She would like the community to receive the best benefit possible through the City's efforts, which requires a focus on results and performance measures.

With regard to New Capital Funding for the Bel-Red Corridor, Ms. Balducci noted the goal to achieve federal funding to complete much of the corridor's capital program. If the City decides to pursue this level of assistance, Bellevue will likely need to provide a significant local match before federal funding will be considered. Ms. Balducci said that if the City is to spend money on lobbying, she wants to ensure that the City is positioned in the best way possible to make the effort succeed.

With regard to lobbying, Councilmember Wallace concurred with Mr. Chelminiak about expected changes to the political landscape following tomorrow's elections. Mr. Wallace feels that the City still has work to do on its plan. He observed that \$266 million for NE 15th/16th Street is not a realistic plan and needs to be pared down. The Council needs to take a hard look at that and decide where to go next. In the interim, Mr. Wallace believes that it makes sense to

either not fund it or to put it in a contingency until the plan is fully developed. He currently does not have a clear understanding of what the viable plan is going forward.

Responding to Mr. Wallace, Mr. Derrick said that the annual business license fee is not a proposal in the budget. The Council previously inquired about an annual fee, and therefore information is provided in the meeting packet. The budget includes a proposal from the Finance Department to increase the business license fee by approximately \$40 to cover their costs, and a separate proposal from Development Services for adding a \$10 one-time fee.

Councilmember Wallace said he will not support increasing the business license fee because it adversely impacts small businesses.

Mayor Davidson commented that focusing on economic development is how the City will pull out of the recession ahead of the rest. Local governments are being very competitive to attract economic activity. Bellevue is currently a good place to do business, and national and international activity will become increasingly important. He feels that lobbying for federal funds for the Bel-Red corridor is important and achievable. Dr. Davidson noted that the City has completed comprehensive planning and has zoning in place for the redevelopment of the Bel-Red corridor once the economy turns around. He feels that lobbying is going to make the difference in the long term with regard to sustaining a healthy economy.

Mr. Wallace observed that Downtown Livability and the Pedestrian Corridor study fit into the economic development category. For future consideration, if the Council is able to free up some money from this outcome that might be applicable to those two, maybe we could put those on the list for discussion. Mayor Davidson confirmed that they are on the discussion list, which is not necessarily arranged by outcome area.

Councilmember Balducci clarified that she does not doubt that the Council needs to be actively engaged in economic development activity. However, she questions whether the economic development program's goals and desired outcomes are clear.

Deputy Mayor Lee said he shares that same sentiment, and he encourages focusing on creating a specific economic development plan.

Mayor Davidson suggested moving on to the Safe Community presentation.

Mr. Sarkozy introduced Fire Chief Mike Eisner and Police Chief Linda Pillo to provide the presentation.

Chief Eisner said that the Safe Community outcome represents 23 percent of all funds, and 52 percent of the General Fund. This outcome includes functions in Development Services and other departments as well. Chief Pillo reviewed the key performance indicators. Proposed budget reductions involve school resource officers, two motorcycle officers, closing the Transit Center Police substation, Fire Department aid car staffing, Fire Department training, eliminating 1,400 non-residential street lights, and cutbacks in Probation and Electronic Home Detention services.

Chief Pillo said the reduction of five Police Officer positions and four civilian staff support positions will not harm overall public safety. Chief Eisner said the proposed reduction in aid car staffing was considered one of the best measures for reducing costs while maintaining fire station staffing and services. A proposal to centralize fire facilities management with Civic Services affects the labor union and is under negotiation.

Chief Pillo described revenue enhancement through electronic ticketing, and the revenue loss associated with eliminating two motorcycle officers.

Chief Eisner said small revenue increases are anticipated from amendments to the Fire Code, including an increase in the operational permit fee from \$50 to \$100 annually, and a new fee for the re-inspection of occupancies that fail to comply with violations identified during the initial inspection. An additional revenue enhancement results from prosecutor support at all contested infraction hearing, which nets \$160,000 for the biennium.

Responding to Mayor Davidson, Chief Eisner described aid car operations. Stations 1, 2, and 3 currently have staffing above the minimum requirements. The budget proposes reducing staffing at Fire Station 1 on Bellevue Way.

Transportation Director Goran Sparrman described the street lighting system and proposed lighting reductions.

Parks and Community Services Director Patrick Foran reviewed the proposed elimination of two full-time positions and general operating expenses in Probation and Electronic Home Detention services.

Responding to Councilmember Chelminiak, Mr. Foran said the program has 14 FTE staff. The two positions to be eliminated will be those that are determined to have the least impact on the offender population, and the work will be redistributed to remaining staff. The two positions to be eliminated will likely be support staff instead of front-line service staff.

Mayor Davidson said he is proud of the City's Probation Services, which also utilizes a number of volunteers. He questioned the impact of the proposal on volunteers.

Mr. Foran said the program has 41 active volunteers, and it is almost a full-time job to coordinate their activities. He does not anticipate that volunteers will necessarily be added, but they might be reassigned to cover support duties. Responding to Mayor Davidson, Mr. Foran confirmed that the reduction will not cripple the program's services.

Responding to Councilmember Degginger, Chief Pillo said street lighting is beneficial to drivers and helps to prevent crime. In further response, Mr. Sparrman said the street lights must be adjusted manually, using a two-person crew.

Mr. Degginger commented on the importance of public safety to overall economic development. He is not happy with the proposal to reduce street lighting, and would like to keep it on the addition list.

Deputy Mayor Lee concurred.

Responding to Mr. Lee, Mr. Foran said it is difficult to accurately assess the risk associated with reducing Probation staffing. The probation function occurs at the end of other activities (e.g., arrest, prosecution, sentencing, and intervention by human services agencies) and is therefore largely determined by what occurs throughout the process. The goals of Probation Services are to reduce the City's costs of managing offenders, reduce jail costs, lower recidivism, and minimize the social costs to offenders, their families, and victims. Probation Services is aimed at stopping the cycle of criminal activity. In further response, Mr. Foran said the work of the two support positions can be redistributed to other staff.

Tandra Schwamberg, Probation Manager, said that the Results Team who reviewed this proposal recommended that the program be studied by a third party to address the questions and issues raised.

Deputy Mayor Lee said he is not ready to reduce Probation Services staffing, and he would like to move forward with a study.

Councilmember Robertson said that most of the proposed cuts within the Safe Community outcome make her uncomfortable.

Responding to Ms. Robertson, Mr. Sparrman said that if the 1,400 proposed lights are turned off, they would remain in place. If the City wanted to turn off lights owned by Puget Sound Energy, the lights would be required to be removed. Mr. Sparrman said turning the lights off saves approximately \$100,000 in electricity costs per year. Mark Poch, Traffic Engineering, estimated the cost of turning the lights off at \$25,000, which reflects two to three staff working over two months. Mr. Sparrman noted that those staff would not be performing other duties during that time period.

Councilmember Robertson said she is not convinced that the proposal should be implemented. In further response, Mr. Sparrman said the City has installed some experimental LED street lights and is monitoring their performance. The City has joined a research collaboration effort to study the deployment of LED street lights on the West Coast. Mr. Sparrman noted that LED lights are relatively expensive, and the City is waiting for the prices to get lower. Some of the lights to be turned off are located in the Downtown.

Ms. Robertson spoke to recent delays in replacing street lights that go out. She suggested hiring temporary employees to replace the lights more frequently. Mr. Sparrman agreed with the suggestion, but noted the costs associated with this approach.

Responding to Councilmember Robertson, Chief Pillo said that the Bellevue School District pays \$92,000, plus \$5,000 for training, for the School Resource Officers (SRO) program. If the Council directs staff to renegotiate with the school district, they would do so. Ms. Robertson said her understanding is that some school districts contribute more toward their SRO programs.

Responding to Mayor Davidson, Chief Pillo said there are currently four officers, one for each high school and one that covers the four middle schools.

Responding to Ms. Robertson regarding page 2-56 of the meeting packet, Chief Pillo explained that the Personnel Services unit includes eight FTE positions who are responsible for recruiting, hiring, training, and supplying equipment for the Police Department.

Chief Eisner responded to brief questions of clarification for Ms. Robertson. Councilmember Robertson added the aid car staffing proposal to the list of priorities to be discussed further.

Councilmember Balducci commended staff for the well-prepared Safe Community outcome materials. She expressed concern about the proposed reductions to Probation Services. Responding to Ms. Balducci, Mr. Foran said a study of Probation Services would involve a review of the overall process beginning with arrest. That evaluation might generate a range of alternatives that could either reduce the City's investment in Probation Services or identify other areas for efficiencies and cost savings. Mr. Foran observed that an appropriate review would require a minimum of six months, and it would be important to consider the broader context including the City's future municipal court operations.

Ms. Balducci stated that it is important to look at outcomes, recidivism, and failures to meet court conditions that land a person back in jail. She noted that, before she was a Councilmember, she went through the Probation Services volunteer training and served briefly as a probation counselor before starting her job with King County Corrections. She praised Bellevue's program and training.

Responding to Ms. Balducci, Chief Pillo said the Police Department's lease for the Transit Center substation extends through July. Ms. Balducci suggested that perhaps the King County Sheriff's Office could have a presence there.

Councilmember Chelminiak noted references to "other costs" in some of the budget proposals. He said it would be helpful to itemize these costs to determine whether further reductions are possible.

Responding to Deputy Mayor Lee, Chief Pillo said that the community will not likely notice a reduction in service with the elimination of two motorcycle officer positions. She explained that they are preventative and their overall mission is traffic safety. There will still be nine motorcycle officers to perform this function.

Responding to Mr. Lee, Chief Pillo said there is strong community support for the School Resource Officer (SRO) program. She explained that the Police Department and Bellevue School District are working together to manage the effectiveness of the plan.

Responding to Mr. Lee, Chief Eisner said the Fire Department training reduction affects certain specialized technical training. The main body of overall mandated training will continue at current levels.

Deputy Mayor Lee feels that the aid car reduction should be discussed further. He is concerned about the impact and needs more information. Chief Eisner said the department has the data and will share it with Council. He clarified that he does not want to leave the impression that there would be no coverage for 12 hours per day. For the 12 hours daily that the aid car would not be staffed, there are two other emergency response units from that station that would handle any calls generated in the area.

Responding to Mr. Degginger, Chief Eisner said the aid car would be staffed from 8:00 a.m. to 8:00 p.m., which represents 75 percent of the calls based on the past three years.

Councilmember Degginger asked the City Attorney to comment on prosecutor presence as a revenue source.

Lori Riordan said that historically the City has not had the staffing level to cover the contested calendars on infractions. The City has made exceptions in the cases where radar technicians have been subpoenaed by the offender when an accident is involved, and a prosecutor is sent to those hearings. Most infraction hearings have not been staffed by a prosecutor, and the outcome is that nearly 85 percent were dismissed by the court. The City was seeing a low level of contested infractions being resolved in the City's favor. The City implemented a pilot project in early 2010 and increased the conviction rate from 16 percent to above 70 percent, which has generated a fair amount of revenue. The contract prosecutors handling the contested infraction calendars are netting approximately \$160,000 for the biennium. The contract hourly rate is approximately \$50 per hour. Ms. Riordan said a staff person provides discovery for the cases, which must be done whether or not a prosecutor is ultimately present at the hearing.

Responding to Mayor Davidson, Ms. Riordan said the City Attorney's Office has looked at liability issues related to the budget proposal to turn off a number of street lights. She explained that a policy decision by the City Council to turn off the lights is subject to discretionary immunity. If the policy decision is to reduce lighting, the specific program would have to be developed in a manner that does not expose the City to an unreasonable liability.

Councilmember Wallace observed that there are a number of line items with high dollar amounts. He questioned whether there are opportunities to reduce an item by one percent in order to reallocate the dollars to unfunded proposals. He suggested adding the two motorcycle officers to the list, along with the Fire Department aid car and Probation Services reductions.

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Responding to Councilmember Wallace, Carl Krikorian, Police Department Fiscal Manager, said the elimination of two motorcycle officers represents a revenue loss of \$40,000.

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

Myrna L. Basich, MMC
City Clerk

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