

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Special Meeting  
and Study Session

November 4, 2013  
5:00 p.m./6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Lee and Councilmembers Balducci, Chelminiak, Davidson, Stokes and Wallace

ABSENT: Deputy Mayor Robertson

**Special Meeting**

At **5:00** p.m., Mayor Lee called the meeting to order and declared recess to Executive Session for one hour to discuss one personnel matter.

**Study Session**

1. Executive Session

At 6:09 p.m., City Clerk Myrna Basich announced that the Council had been in Executive Session since 5:00 p.m. She said the Council would continue in Executive Session for approximately 20 more minutes to discuss one personnel matter.

The meeting resumed at 6:43 p.m., with Mayor Lee presiding.

2. Study Session

- (a) 2013-2014 Mid-Biennium Budget Proposal, Third Quarter Monitoring Report, and Forecast Update

Acting City Manager Brad Miyake introduced the formal kickoff of the 2013-2014 Mid-Biennium Budget update. He noted that no action is being requested this evening.

Finance Director Jan Hawn said there are no changes to general taxes or utility taxes. The mid-biennium adjustments implement previous Council direction for Development Services and the Capital Investment Program (CIP), and minor adjustments for other funds.

Ms. Hawn said additional study session discussions will be scheduled for November 12 and 25 if needed. The Budget public hearing is scheduled for November 18, and Council action on the 2014 Mid-Biennium Budget update is scheduled for December 2.

Toni Rezab, Assistant Director of Finance/Budget Manager, said the Puget Sound region continues to outperform the nation in its economic recovery. Sales tax collections and Business and Occupation (B&O) tax collections are forecasted to reach pre-recession (2007) levels in 2015 in real dollars. The 2013 Utility taxes are approximately \$1 million below the adopted budget, with demand flat due to conservation. Estimates for 2014-2019 electricity and gas utility tax revenue reflect continuation of the current trend.

With regard to expenditures, personnel is the primary driver of growth including increased costs for health benefits, retirement benefits, and cost-of-living adjustments. The Mid-Biennium Budget update assumes no property tax increase as well as certain one-time and short-term expenditures that do not recur in the future. General Fund revenues are projected to be slightly above expenditures in 2013 and 2014.

Ms. Rezab said that risks include continued uncertainty at the state and federal level, continued slow economic recovery, and unknown/unplanned expenditures.

Responding to Councilmember Davidson, Ms. Rezab said the number of auto sales in Bellevue is back to pre-recession levels. However, she did not have specific data on the average value of each sale and how many were new versus used cars.

Ms. Rezab said the Mid-Biennium Budget update includes the Council's authorization of up to 24 full-time positions to support the increasing Development Services permit workload. The Capital Investment Program (CIP) reflects the Council's October 7 decision for a \$30 million Interfund Loan from the Utilities Capital Fund [action taken with Ordinance No. 6129]. Ms. Rezab briefly outlined the General Fund for the 2013-2014 Mid-Biennium Budget.

Ms. Rezab noted minor housekeeping issues: 1) Facility Fund allocation of \$147,000 for Court Facility Operations, related to the light rail project; 2) Parks Fund routine transfer to CIP for driving range improvements; and 3) Routine transfer of residual moneys from the Local Improvement District (LID) Guarantee Fund to the General Fund. Ms. Rezab said the latter occurs every couple of years as LIDs come to a conclusion. State law allows the transfer of excess funds to the General Fund for one-time uses. This transfer will be used to cover primary election costs and the transition to a new City Manager including severance and backfill expenses.

Responding to Councilmember Davidson, Ms. Rezab said the LID extended over a 20-year period and was repaid by the end of 2012. She said she will follow up with additional information.

Councilmember Chelminiak questioned the status of the electrical reliability initiative and the City's work with Puget Sound Energy.

Mr. Miyake said he will bring information back to the Council in the near future.

Councilmember Chelminiak suggested it would be appropriate for the Council to have a policy discussion regarding the electrical reliability issues, including coordinated efforts with Puget Sound Energy, early next year.

Mike Brennan, Director of the Development Services Department, noted an inflationary adjustment assumed in the 2013-2014 Budget for permitting fees. He said that increasing fees by inflation maintains alignment with personnel and other costs and with financial policies.

Mr. Brennan described the cost recovery objectives for each functional area. The General Fund supports public information, policy development, and pre-submittal support. Engineering review, business support, and inspection services are recovered at 100 percent. The proposed fee increase is \$2 per hour for all services.

Responding to Councilmember Wallace regarding the implementation of online permitting, Mr. Brennan said that technical review for a permit will not change. However, the system provides enhanced convenience for the public and overall processing efficiencies.

Ms. Rezab provided an update on overall financial policies. No changes are proposed to General Fund financial policies, and minor changes are proposed to the Utilities Department's financial policies.

Ms. Hawn summarized that the Mid-Biennium Budget update contains no changes to general taxes or utility rates. Council action will be requested on December 2. Study Session discussions are tentatively set for November 12 and November 25, if needed. The Public Hearing will be held during the November 18 Regular Session.

Mayor Lee thanked staff for the presentation and observed that the Mid-Biennium Budget adjustments are minimal.

Councilmember Balducci said she would like to reserve time for future Study Session discussions before taking action in December. Mr. Miyake said it would be helpful to know if Councilmembers have questions or an interest in more information on a specific topic before the next discussion.

Mayor Lee concurred with reserving time on future agendas for more discussion on the budget if needed.

Responding to Councilmember Wallace, Ms. Rezab said there are a number of LTE (limited-term employee) positions that end at the end of 2016.

Transportation Director Dave Berg said the LTE positions are primarily related to the general Capital Investment Program. One is an East Link-related position.

Responding to Councilmember Wallace, Ms. Rezab said medical benefit costs are forecast to increase by approximately eight percent per year, while wages increase based on inflation. Mr. Wallace believes the Council needs to address the issue of increasing health care costs next year.

Mayor Lee concurred. He recalled that the last compensation study was 12 years ago. He suggested it is time to review overall personnel costs, including health care.

Mr. Miyake said staff has plans to bring these issues forward as a retreat topic.

Responding to Councilmember Wallace, Mr. Brennan said that some of the light rail permitting fees are forecast for 2014 to 2017. The overall fees related to the East Link light rail project are still being worked out with Sound Transit based on the anticipated level of oversight and inspection by the City.

(b) East Link Station Area Planning Update

Chris Salomone, Director of Planning and Community Development, opened staff's update on the progress and outreach to date related to East Link station area planning. This will include staff's responses to questions raised during the October 28 Council meeting.

Mr. Salomone said station area planning establishes a vision for each station area within the context of the stations. The purpose is to ensure compatibility with the surrounding neighborhoods, optimize connectivity to stations, and provide meaningful community involvement.

Mike Kattermann, Senior Land Use Planner, introduced Kate March, East Link Outreach Lead, who is leading the outreach effort and working with the Station Area Planning Citizens Advisory Committees (CAC). He noted that Phil Harris is the Senior Transportation Planner on this project.

Mr. Kattermann said station area planning focuses on the half-mile radius around the station. The issues, plans and strategies are tailored to each area. The Station Area Planning CACs are not intended to address design, construction, or permitting (mitigation) issues. Mr. Kattermann described the overall station area planning work program and the components to be addressed for each station area.

Responding to Councilmember Davidson, Mr. Kattermann said there is potential for transit-oriented development (TOD) on the east side of 112<sup>th</sup> Avenue and around the 120<sup>th</sup> Avenue and 130<sup>th</sup> Avenue stations. As previously discussed, the South Bellevue Station will not be considered for TOD.

Mr. Kattermann described the station area planning schedule extending through 2015. He recalled previous discussion about establishing CACs for three station areas. The Downtown Station will be addressed as part of the Downtown Livability Initiative work, and the East Main and Hospital Stations are anticipated to benefit from CACs as well. These locations have a broad

range of issues, a mix of stakeholders with diverse interests, and the need for considering and narrowing multiple options, including potential land use changes and implementation strategies.

Mr. Kattermann clarified what the Light Rail Permitting CAC is addressing versus what the station area planning CACs will address. The former is addressing design, construction, and mitigation for Sound Transit permits. Station area planning focuses on the half-mile radius around the station, land use (where appropriate), streets and traffic, sidewalks and crosswalks, and bike lanes. The CACs will not review design and mitigation permit issues.

Councilmember Balducci questioned how input from the City's CACs will influence the design of stations, given that Sound Transit is already at 60-percent design. Mr. Kattermann said the City's input is through the Light Rail Permitting CAC.

Ms. Balducci expressed concern that permitting issues will not adequately address and be able to influence the design and feel of the light rail stations.

Mr. Salomone said the Light Rail Permitting CAC can address the look, feel, colors, and other aesthetic aspects of the stations and facilities. He said that Barbara Lueke, Art Program Manager for Sound Transit, will provide a presentation later in the month.

Councilmember Balducci said she believes there is still a gap. Sound Transit held an open house six weeks or so ago, which was the opportunity to submit input. She believes the CAC's input will be too late for Sound Transit's schedule. As a Sound Transit Board Member, she has expressed concern about the stark design for certain stations. She believes a broader review by the City and/or citizens is needed.

Mike Brennan, Director of the Development Services Department, said the Light Rail Permitting CAC's first regular meeting is November 6. He said the CAC's timeline aligns closely with the design review process. There will be ongoing public comment opportunities during the CAC's meetings, and written comments will continue to be accepted.

In further response to Ms. Balducci, Mr. Brennan said the Light Rail Permitting CAC will make recommendations to the design team regarding specific elements throughout the alignment.

Ms. Balducci said she would like additional information, including the criteria to be used by the CAC. Mr. Brennan said staff can provide more frequent updates regarding the CAC's work.

Mr. Balducci said her primary concerns are the Bel-Red stations. However, she feels more comfortable about the 120<sup>th</sup> Avenue Station because there is an active developer and property owner. She is very concerned about the Downtown Station and the neighborhood stations. She observed that the broader structure of this process feels complicated and not well targeted.

Councilmember Davidson said he thought there would be station area planning CACs for all stations, and Ms. Balducci concurred. Dr. Davidson said he is concerned that the City might not have sufficient influence on the Downtown Station.

Mr. Kattermann said the three CACs are targeted for the stations with land use issues. He said the station design issues raised by Councilmember Balducci will be addressed through the permitting process

Councilmember Wallace said his understanding was that the Light Rail Permitting CAC would essentially follow the process used for designing stations in Seattle, and that station area planning would involve CACs for every station. He does not want the process to be so rigid that station area planning CACs cannot discuss station design and other elements.

Mr. Kattermann said that all comments on station design will be forwarded to the Light Rail Permitting CAC.

Mr. Wallace would like to reach out to residents during the design planning phase from this point forward.

Councilmember Stokes said he had envisioned citizen involvement in both station design and station area planning. He sees a third element as land use planning. He believes the City should be heavily involved, especially for the Downtown Station.

Councilmember Chelminiak said he thought the station area planning committees would be more focused on linkages and aesthetics and not on technical land use issues. He believes the latter calls for individuals with a different type of expertise. Mr. Chelminiak said the Downtown, East Main, and Hospital stations already have TOD around them. Residents around the stations want to have input into the look, feel, and access for those stations.

Mr. Chelminiak shared Councilmember Balducci's concern that the work of the CAC is too late to have significant influence, with Sound Transit now at 60 percent design. He recalled that there was previously a budget allocation for this activity that was later repurposed by a Council vote. He believes that Enatai residents and the broader community should have the opportunity to provide input into the appearance of and access to and from the South Bellevue Station.

Mayor Lee believes there is a need to clarify how much influence the CAC will be able to have.

Councilmember Balducci recalled that the Light Rail Best Practices Report established the expectation for involving neighborhood citizen groups in station design and area planning. She acknowledged that elements of the Light Rail Overlay Land Use Code amendment might conflict with recommendations from the earlier report. Ms. Balducci said she would like to meet separately with staff to determine how the community will be involved.

Mr. Salomone stated his understanding that the Council would like a palette of options and an understanding of how the CAC's work will be carried out.

Councilmember Stokes said he believes there is still an opportunity to influence the design of stations and the areas around them. He suggested clarifying the Council's questions and continuing to move forward.

Mr. Miyake acknowledged that more work needs to be done on this topic.

Councilmember Balducci said she and other Councilmembers have been raising these issues for some time.

At 7:58 p.m., Mayor Lee declared recess to the Regular Session.

Myrna L. Basich, MMC  
City Clerk

/kaw