

The Human Services Commission approved these minutes on May 6, 2014

CITY OF BELLEVUE
HUMAN SERVICES COMMISSION
MINUTES

April 15, 2014
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chairperson Perelman, Commissioners Bruels, Beighle, McEachran, Plaskon, Stout, Yantis

COMMISSIONERS ABSENT: None

STAFF PRESENT: Emily Leslie, Alex O'Reilly, Joseph Adriano, Doug Sanner, Jessamyn Findlay, Department of Parks and Community Services

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:31 p.m. by Commissioner McEachran who presided until the arrival of Chair Perelman.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Plaskon, who arrived at 6:32 p.m., and Chair Perelman, who arrived at 6:37 p.m.

3. APPROVAL OF MINUTES

A. March 18, 2014

Commissioner Beighle called attention to the fourth full paragraph on page 10 and noted that "Use city regulatory powers to project individual's rights..." should read "Use city regulatory powers to protect individual's rights...."

A motion to approve the minutes as amended was made by Commissioner Stout. The motion was seconded by Commissioner Bruels and it carried unanimously.

4. PETITIONS AND COMMUNICATIONS

Ms. Gigi Meinig with Aging and Disability Services reminded the Commissioners about the April 22 vote to fund public transit and road maintenance.

5. STAFF AND COMMISSION REPORTS

Commissioner Stout reminded the Commissioners that the time to provide testimony regarding affordable housing, ADA and other human services issues to the Downtown Livability Initiative CAC will be at the April 16 meeting. She noted that Steve Roberts would be providing information. Email testimony can be sent to pwilma@bellevuewa.gov and will be given to the committee members.

Commissioner McEachran said he attended the auction for Imagine Housing the evening of April 12. He said the organization raised \$415,000 toward the \$425,000 goal.

5. STAFF REPORTS

Human Services Planner Alex O'Reilly provided the Commissioners with copies of the state legislative final recap, a document prepared for the Eastside Human Services Forum. A number of issues were not completed during the short session, but at the last minute the document recording fee was approved through 2017; that will provide funding for housing support throughout the state. There was no capital budget approved so there was no additional Housing Trust Fund allocation, which is problematic. There were some wins for the foster care system, including the expanding of foster care coverage to young adults who are working 80 or more hours per month under the Expanding Connections Act.

6. DISCUSSION

A. Overview of City of Bellevue's Budget One Process for 2015-2016

Fiscal Quality Control Manager Doug Sanner said the process to develop the city's 2015-2016 operating budget and seven-year Capital Investment Program is under way. Unlike private sector budgets, city budgets legitimize what the city can do; the budget authorizes lines of business, who will be hired, and what will be built. The budget is and will be a non-stop work item for staff and the Council until the budget is adopted in December. The Council has conducted a retreat focused on the budget, citizen surveys are being fielded, and the public hearing phase is about to be ushered in. The staff are involved in writing proposals outlining what they do, why they do it, and why it matters for purposes of ranking and funding. The proposals will be developed and submitted through the summer months. City Manager Brad Miyake will submit his preliminary budget to the Council in October following which the Council will have the issue on its agenda for every meeting through December. The

budget public hearings, which are slated for May 19, July 21 and November 17, offer opportunity for agencies to highlight the importance of their programs.

Mr. Sanner said the city's fiscal picture for the 2015-2016 budget cycle is better than it has been in the past, but the city is still not flush. The projections indicate that ongoing sources of funds will be sufficient to handle the ongoing programs and expenditures that are in place, but there will not be a lot of new money for new investments both on the operating and capital sides. That represents a challenge for staff and the Council to address. Over the next seven-years, the projections indicate there will be only \$20 million to allocate towards all new construction projects; that level of funding is next to nothing given the unfunded list of well over \$1 billion in unmet capital needs. A host of taxing, spending and long-term borrowing options will be addressed by the Council.

The Budget One process focuses on budgeting for results and has been in use by the city for the last two budget cycles. The budget is organized around seven community outcomes. The Parks & Community Services department competes within four of the outcomes: An Innovative, Vibrant and Caring Community; Quality Neighborhoods; A Healthy and Sustainable Environment; and A Safe Community. The other outcomes have to do with improved mobility, responsible government, and economic development. Interdepartmental staff teams are formed to review and rank the proposals submitted under each outcome. Each team essentially acts like buyers and attempts to purchase all they can with the available funds, but of course at some point the limited resources makes it necessary to draw a line. The Parks & Community Services department will be submitting roughly 20 operating proposals and between 15 and 20 capital proposals during the current process.

Mr. Sanner said the Human Services Fund has a funding formula that has been in place since 2003. The formula dictates that funding for human services should track both inflation and population growth. The formula is considered city policy. Accordingly, the baseline budget for human services, without allowing for any new dollars, increases by about \$100,000 annually. Currently, human services funding from the city's General Fund, which is funded with property taxes, is \$2.95 million. The budget office has determined the inflation factor for 2015 to be 2.4 percent and for 2016 to be 2.3 percent. For both years, the projection is that there will be a one percent population growth. Mathematically, the \$2.95 million base will grow by \$70,000 for inflation and \$30,000 for population.

Mr. Sanner said staff would be proposing to add \$50,000 for the winter shelter. He said that is the amount the city has been spending from unbudgeted funds. There is also a small reserve of about \$200,000 that generates interest, and the United Way campaign typically generates about \$10,000 in employee contributions. Taken together, the 2014 base of \$2.95 million will increase to \$3.1 million in 2015 and roughly \$3.2 million in 2016. Those totals do not, of course, include the CDBG dollars.

In the last funding cycle, human services was ranked number one of the 50 proposals ranked by the Budget One teams focused on the four outcome groups; human services also ranked number one during the first Budget One cycle and is expected to rank high again during the current process.

The Commissioners were reminded that in the past the Commission has traditionally transmitted its funding recommendations to the Council in October, both for city dollars and CDBG dollars. The Commission's recommendation typically identifies what can be funded with the available base funding, and those things that could be funded if more dollars were available. The Council has always taken an interest in knowing what more could be done if more funding were made available. The Council has on occasion acted to allocate additional funds.

Mr. Sanner said the Parks & Community Services department has still not finished the work promised to voters in 2008 when the Parks & and Open Space Levy was approved. The challenge is that in addition to levy dollars many of the projects need matching city dollars. The Council is being urged to follow through on the remaining projects. City policy is to maintain whatever gets built, so that must be factored in.

Answering a question asked by Commissioner Stout, Mr. Sanner said the current capital budget includes \$12 million for Phase I of the Meydenbauer Bay Park, \$9 million from the city and \$3 million from a state Trade and Economic Development grant. The project is in the design phase and hopefully the capital work will be able to happen sooner rather than later.

On the operating side, Mr. Sanner said most the proposals from the Parks & Community Services department will be focused on maintaining what has already been built. There are unfunded mandates facing the department, primarily around healthcare reform. The Affordable Care Act changed the rules for big employers, including the city. The Parks & Community Services department uses a large number of temporary employees who, depending on how they are utilized, may cross the line beyond which the city must provide them with healthcare benefits. The budget will be impacted primarily in regard to the nine-month seasonal employees, those who work full time but for only nine months of the year and who under the Affordable Care Act are eligible for healthcare benefits; that will come at a cost of roughly \$300,000. Additionally, the Parks & Community Services department had to shoulder budget cuts during the first two iterations of the Budget One process. Proposals will be submitted seeking to restore a narrow set of the previous reductions.

Human Services Manager Emily Leslie said the work of the Commission relative to reviewing applications will conclude in July at roughly the same time the initial rankings from the Budget One teams will come out. She said the proposal she will be submit will generally cover all of the contracts. She said the amount of money available to allocate will be known ahead of the date by which the Commission will make its recommendations.

7. DISCUSSION

A. Orientation to 2015-2016 Application Funding Process

Grant Coordinator Joseph Adriano briefly reviewed the timeline for the application funding process. He noted that all applications must be submitted electronically to the city by the deadline of 4:00 p.m. April 23. The anticipation is that there will be about 100 applications in all, with not more than a dozen coming from new agencies or new programs.

Commissioner Beighle praised the staff for the materials put out to the agencies. She said the materials do a very good job of capturing what the Commission will be looking for. Mr. Adriano said staff have heard from agencies that the process is well thought out.

Mr. Adriano said the work of processing the applications will begin immediately after the submittal deadline. The goal is to have them in the hands of the Commissioners by May 2. The applications and materials will also be available on the web. Ideally, that will allow the Commissioners time to review the Goal 1 applications before the Commission's first preliminary review on May 6. At that meeting any questions the Commissioners have will be brought forward along with direction to the staff to seek answers to the questions, most of which likely will be related to program design, the ability of the agency to provide the services, how they will meet their outcomes, and issues related to demographics. The same process relative to the initial application reviews will be followed at the May 20 and June 3 Commission meetings for the other goal areas.

Ms. Leslie noted that in the past the Commission has elected to begin its meetings at 6:00 p.m. in order to allow more time for the reviews.

Mr. Adriano reminded the Commissioners that during the full review phase, the focus turns to the issues raised during the first round. The full review phase will begin on June 17 and continue at the June 24. The full review phase can include testimony from agency representatives were requested by Commissioners to provide clarification.

The Commission's full review of the CDBG applications will occur at the July 1 meeting. Along with a recommendation for funding the CDBG applications, the Commission will be asked to develop a contingency plan. At the July 1 meeting the Commission will begin development of the General Fund recommendation. The preliminary final recommendation will be determined at the July 8 meeting. That recommendation will be released to the public on July 9 and will be the subject of the July 24 public hearing. The Commission will have the opportunity to make changes to the preliminary final recommendation after the public hearing, but ideally the final recommendation will be voted on at that meeting.

Ms. Leslie said the proposal of staff is for the Commission not to meet during the month of August.

Mr. Adriano said the recommendation of the Commission will be transmitted to the Council in October and will be taken up for action in November.

Commissioner Stout asked what she and Commissioner Yantis would be doing at the first two meetings in May ahead of their terms of office ending at the end of May. Ms. Leslie said the benefit of wisdom is always helpful. She said the two new Commissioners will not be officially appointed until June but will hopefully be identified earlier so they can be encouraged to attend the May meetings.

Commissioner Bruels said he could see no reason to change the way the reviews have been conducted in the past. He said dividing up the applications and assigning them to teams to lead the discussions has proven to be effective.

Mr. Adriano observed that following the last funding cycle Commissioner Beighle commented that it would be helpful to have the expenses and revenue data on a single page. He said staff would make that change. He said during the last review there were also issues associated with determining the actual number of units the application would provide, and with determining the actual cost per unit. The web tool will not generate that level of detail, and the other cities have not expressed any interest in unit costs. He said staff will make the calculations, however, where possible because in the past some applicants have determined for some reason that units costs in Bellevue should cost more. Running the calculations helps to identify those differences.

Mr. Adriano said Commissioner Beighle after the last funding cycle said she calculates the percentage of total funding each application requests from the various jurisdictions. Often agencies will seek more funding from Bellevue than from the other cities. An admonition not to take that approach has been made at every meeting with applicants so hopefully that will not be an issue. However, staff will generate a chart showing the information.

Commissioner Yantis said it is an easy thing to determine that an agency is seeking more money from Bellevue than from other jurisdictions, but that does not mean much until the number of clients served is analyzed. An application may indicate the exact same number of clients will be served in Bellevue and Redmond, but if the request to Bellevue is higher, it becomes a red flag.

Mr. Adriano noted that agencies have been directed not to submit applications seeking less than \$5000. The same was true for the last funding round, though the applications not meeting that threshold that were submitted were included in the packet. For the upcoming round, those applications will not be included in the packet.

Commissioner Beighle asked staff to at least supply the Commission with a listing of any applications failing to meet the threshold.

Mr. Adriano said there also was a request after the last application round for applicants to be reasonable but also to identify an amount they actually need based on reality. He said that guidance was added to the application instructions.

Commissioner McEachran indicated his support for the plus/minus approach used in the past during the first round of application reviews.

Commissioner Bruels said the team idea works well when it comes time to leading the discussions. He suggested it should start with the first round of reviews. Commissioner Stout agreed but suggested she and Commissioner Yantis should not be assigned to a team; when the new Commissioners are identified they should be appointed to a team.

Ms. O'Reilly allowed that the Commission at one point questioned whether applications should be given cost of living adjustments as a way to free dollars to be applied to other programs. Ms. Leslie noted that the information presented by Mr. Sanner made it clear that there will not be a lot of new money available. The Commission is free to allocate the COLA dollars as its sees fit.

Commenting on a discussion of what is meant by the plus/flat/minus indications during the initial reviews, Commissioner Yantis suggested plus should be interpreted as an opportunity to increase funding, that flat means the status quo, and that minus means a reduction in funding from the previous cycle.

Ms. Leslie said she intended to ask Councilmember Chelminiak to attend a Commission meeting. She said during the recession when budgets were being cut he was the one who encouraged the Commission to ask the Council for more money. She said guidance is needed from him as to whether or not the Commission should do that again. The Commission certainly has the documentation to make the case for more funding. It is already known that some programs will be coming forward seeking significant increases such as the Winter Shelters.

8. OLD BUSINESS

Ms. O'Reilly provided the Commissioners with an executive summary of the Needs Update. She said staff have been handing them out everywhere and the agencies have been very happy to get them.

Ms. O'Reilly also noted that in 2004 the Commission developed a human services plan and suggested it would be a good idea to do that again. The Needs Update is an assessment with a number of implications, but it does not rise to the level of being a plan. Other groups around the nation, and even some local cities, have developed

what they call strategic plans for how to move forward over the long term. She said intern Jessamyn Findlay has been tasked with reviewing other plans and putting together some ideas for the Commission to take up in the fall after the funding cycle is wrapped up.

9. NEW BUSINESS - None

10. PETITIONS AND COMMUNICATIONS - None

11. ADJOURNMENT

Chair Perelman adjourned the meeting at 7:52 p.m.

Secretary to the Human Services Commission

Date

Chairperson of the Human Services Commission

Date