



CITY COUNCIL MINUTES REGULAR MEETING OCTOBER 17, 2016

CALL TO ORDER & ROLL CALL

Mayor Bruce Bassett called the meeting to order at 5:30 pm in the Council Chambers of City Hall, 9611 SE 36th Street, Mercer Island, Washington.

Mayor Bruce Bassett, Deputy Mayor Debbie Bertlin, and Councilmembers Dan Grausz, Jeff Sanderson, Wendy Weiker, David Wisenteiner (arrived 5:34 pm), and Benson Wong were present.

AGENDA APPROVAL

It was moved by Wong; seconded by Sanderson to:

Approve the agenda as presented.

Passed 7-0

FOR: 7 (Bassett, Bertlin, Grausz, Sanderson, Weiker, Wisenteiner, Wong)

EXECUTIVE SESSION

At 5:32 pm, Mayor Bassett convened an Executive Session pursuant to RCW 42.30.110(1)(g) to evaluate the qualifications of an applicant for public employment for 30 minutes.

At 6:03 pm, Mayor Bassett extended the Executive Session for an additional 5 minutes.

At 6:08 pm, Mayor Bassett extended the Executive Session for an additional 5 minutes.

At 6:15 pm, Mayor Bassett adjourned the Executive Session and the Regular Meeting reconvened.

SPECIAL BUSINESS

Domestic Violence Action Month Proclamation

Mayor Bassett read a proclamation declaring October 2016 as Domestic Violence Action Month. He urged all citizens to speak out against domestic violence and support efforts to prevent and end domestic abuse and the indifference that sustains it.

Staff Recognition

City Clerk Ali Spietz recognized Deputy City Clerk Karin Roberts for her achievement in earning the designation of Certified Municipal Clerk from the International Institute of Municipal Clerks, thanked her for her three years of service to the City of Mercer Island, and wished her well as she leaves the City for a position with the City of Bellevue.

APPEARANCES

Vic Bishop, 2114 W Lake Sammamish Pkwy SE, Bellevue, spoke about the budget, the money allocated to the CIP, and the levy lift.

Ira Appelman, 9039 E Shorewood Drive, spoke about the I-90 negotiations, the 2004 amendment, and SOV access to the HOV lanes. He thinks that Mercer Island residents should come together and consider a class action suit.

CONSENT CALENDAR

Deputy Mayor Bertlin requested removal of the September 30, 2016 Micro-Planning Session Minutes. Councilmember Weiker requested removal of the October 4, 2016 Regular Meeting Minutes. Mayor Bassett moved them to the first item of Regular Business.

Payables: \$1,602,009.77 (09/29/16), \$231,986.10 (10/06/16), & \$900,350.43 (10/13/16)

Recommendation: Certify that the materials or services hereinbefore specified have been received and that all warrant numbers listed are approved for payment.

Payroll: \$754,196.63 (09/30/16) & \$885,610.33 (10/14/16)

Recommendation: Certify that the materials or services specified have been received and that all fund warrants are approved for payment.

Minutes: October 4, 2016 Special Meeting Minutes and October 11, 2016 Special Meeting Minutes

Recommendation: Adopt the October 4, 2016 Special Meeting Meetings and the October 11, 2016 Special Meeting Minutes as written.

AB 5219 Human Services Pooled Fund Interlocal Agreement

Recommendation: Authorize the Interim City Manager to sign the Interlocal Agreement Establishing the Human Services Pooled Fund.

It was moved by Bertlin; seconded by Wong to:

Approve the Consent Calendar and the recommendations contained therein.

Passed 7-0

FOR: 7 (Bassett, Bertlin, Grausz, Sanderson, Weiker, Wisenteiner, Wong)

REGULAR BUSINESS

Minutes: September 30, 2016 Micro-Planning Session Minutes

The City Clerk will correct the September 30, 2016 minutes and bring them back at the next meeting.

Minutes: October 4, 2016 Regular Meeting Minutes

It was moved by Weiker; seconded by Bertlin to:

Amend the minutes as follows:

Page 1, AB 5201, add the following language to the third paragraph:

Council directed staff to proceed with drafting code amendments to require the installation of automatic fire-sprinkler systems in all new residential construction, but asked staff to ~~come back with data and options regarding substantial remodels~~ provide code amendment recommendations and data analysis to the Public Safety Subcommittee about requiring the installation of automatic fire-sprinkler systems in substantial remodels.

Passed 7-0

FOR: 7 (Bassett, Bertlin, Grausz, Sanderson, Weiker, Wisenteiner, Wong)

AB 5224 Public Hearing: 2017-2018 Preliminary Budget Review: Operating Budget

The Mayor opened the public hearing on the 2016-2017 Preliminary Budget at 6:52 pm.

Nicki Olivier Hellenkamp, 4618 S Chicago Street, Seattle, WA, Policy and Mobilization Manager with the Housing Development Consortium, spoke about the affordable housing crisis in King County and urged the Council to make a significant increase in Mercer Island's contribution to the ARCH Eastside Housing Trust Fund.

Ira Appleman, 9039 E Shorewood Drive, believes that this budget process is about creating surpluses so that the Council can give money to MICA. He questioned the assumption that the City will remain at 1% plus new construction for property tax and questioned why there is a counselor at every school.

The Mayor closed the public hearing at 6:58 pm.

Finance Director Chip Corder presented the Operating Budget portion of the 2017-2018 Preliminary Budget, focusing on the major operating funds, especially the General Fund, Youth & Family Services Fund, and Utility Funds. He reviewed the major revenue estimates, expenditure summary, fund balance composition, operating budget analysis, service enhancements/reductions, and key assumptions and significant budget policy issues for the General Fund and Youth & Family Services Fund.

Director Corder spoke about a 2018 budget balancing approach for the General Fund and Youth & Family Services Fund in which expenditure cuts are organized into five different layers (or categories), the first four of which relate to service packages:

1. Service packages funded by the Rainy Day fund or a service reduction
2. Service packages which are not required and which are funded by the projected 2016 General Fund surplus
3. Service packages which are required and which are funded by the projected 2016 General Fund surplus
4. Service packages fully funded by fees
5. Total expenditure cuts required after cutting layers 1 and 2, assuming a new revenue source is not approved

Director Corder noted that in addition to expenditure cuts, there are two other budget balancing options: 1. a voter approved levy lid lift, and 2. a Council approved utility tax. The Council has the authority to increase the tax rate on City utilities, solid waste, and cable television. However, he noted that utility taxes are regressive which means that they impact households with lower incomes more than those with higher incomes.

Interim City Manager Pam Bissonnette spoke about the concept of a “contra”, which is a way of dealing with expenditure cuts that you are not sure you are going to need to make. She noted that a “contra” is a single negative number that is put in the budget, representing the total expenditure cuts that will be required absent a new revenue source. The adopted budget is balanced assuming expenditure cuts, but the specific services are not identified, thereby setting the stage for engaging the public on how to balance the budget. Because the 2017 projected deficits in the General Fund and Youth & Family Services Fund are bridged using projected 2016 General Fund surplus revenues, the “contra” would apply to 2018.

Council directed staff to bridge the 2018 deficits in the General Fund and Youth & Family Services Fund using a “contra”.

City Attorney Kari Sand reminded the Council that City Council Rules of Procedure 2.1 requires Council meetings to adjourn no later than 10:00 pm. She noted that the Rules allow for the Council to continue past this time of adjournment by a two-thirds (2/3) vote of the Councilmembers in attendance at the meeting.

It was moved by Weiker; seconded by Grausz to:

Extend the meeting for one hour.

Passed 7-0

FOR: 7 (Bassett, Bertlin, Grausz, Sanderson, Weiker, Wisenteiner, Wong)

Finance Director Corder reviewed the service packages and Council tentatively approved the following:

- New addition by staff: I-90 loss of mobility negotiations (\$200,000)
- Continuation of contract permitting staff
- Communication access real-time translation (CART) services
- Cost of service/cost recovery analysis
- Shoreline Master Program update
- Environmentally critical areas update
- Helpdesk Technician (1.0 FTE)
- Converting four part-time seasonal park maintenance positions to two full-time positions
- Expanding the Senior Social program
- Funding the solid waste contract audit out of miscellaneous professional services in the 2017 base budget

rather than as a service package

- Right-of-way tree assessments, depending on answer to follow-up item below
- Eliminating the Eastside Narcotics Task Force Detective position
- Extending the Thrift Shop Apparel Assistant position through 2018
- Information security services
- Replacing the meter reading handheld devices
- CCTV storm water pipe inspections

Follow-up items requested by the Council include:

- What is the basis for the projected decline in development revenues in 2017-2018?
- Is the City projected to fall short of its development services cost recovery targets in 2017-2018?
- Why is Fire Marshal overtime going up so much in 2017-2018 compared to 2016, if development activity is projected to decline?
- Is there a more holistic and efficient approach to public communications and engagement/outreach than what is recommended in 2017-2018 via the following services packages: Communications Assistant (0.5 FTE), Community Engagement on Projected Budget Deficits, and Public Outreach on DSG Projects?
- What is the sustainability program cost breakdown in 2017-2018?
- How much would it cost to increase code enforcement staffing from 0.5 FTE to 1.0 FTE in 2017?
- Would it make more sense to convert the half-time Arborist in DSG to full-time, with 0.5 FTE dedicated to the Public Works Right-of-Way Team, instead of contracting for tree assessment services (per the requested service package)?
- Wouldn't there be some cost recovery on the Youth Development Coordinator through VOICE and SVP fees?

AB 5223 I-90 Loss of Mobility Negotiations Status Report 4:55

Assistant City Manager Kirsten Taylor presented the I-90 Loss of Mobility Negotiations status report. She reminded the Council that the communities' priorities have become the City's negotiating principles. She spoke about public outreach, the progress on negotiations, and the traffic engineering study. She also noted that Sound Transit staff will make a presentation to Council before the end of the year on the South Bellevue Park and Ride closure and their plans to mitigate the impacts of that closure.

OTHER BUSINESS

Councilmember Absences

Councilmember Sanderson will be absent November 7.

Planning Schedule

Interim City Manager Pam Bissonnette noted that the Sound Transit presentation regarding the closure of the South Bellevue Park and Ride will not be occurring on November 7.

Councilmember Grausz asked for a staff briefing on the removal of the street trees around Pagliacci Pizza.

Deputy Mayor Bertlin confirmed that the first public outreach on the residential code is October 26 and asked for an update following the meeting.

Board Appointments

It was moved by Sanderson; seconded by Bertlin to:

Affirm the appointment of Jessica Prince to Position #1 (expiring May 2019) and Angelina Odievich to Position #9 (expiring May 2018) on the Arts Council.

Passed 7-0

FOR: 7 (Bassett, Bertlin, Grausz, Sanderson, Weiker, Wisenteiner, Wong)

Councilmember Reports

Councilmember Wisenteiner spoke about the Utility Board and the rate increases.

Councilmember Weiker spoke about the Parks & Recreation Department's dog walking brochure.

Councilmember Wong noted that he abstained from voting on the legislative agenda at the PIC meeting but that

the agenda was moved on by the PIC to the SCA full board and that he attended the Northwood Elementary School Open House on October 5 to welcome new families to Mercer Island. Mayor Bassett spoke about the Neighbors in Motion meeting and the bike corridors on Mercer Island. Deputy Mayor Bertlin spoke about moving forward with the concept of a bike corridor and the funding challenges associated with this.

ADJOURNMENT

The regular meeting adjourned at 10:43 pm.

Bruce Bassett, Mayor

Attest:

Karin Roberts, Deputy City Clerk