



# CITY COUNCIL MINUTES

## REGULAR MEETING

### OCTOBER 20, 2014

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#### EXECUTIVE SESSION

**Executive Session #1: To discuss with legal counsel representing the agency, litigation or potential litigation to which the agency is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency pursuant to RCW 42.30.110(1)(i) for approximately 20 minutes.**

**Executive Session #2: To discuss with legal counsel representing the agency, litigation or potential litigation to which the agency is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency pursuant to RCW 42.30.110(1)(i) for approximately 20 minutes.**

**Executive Session #3: To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price pursuant to RCW 42.30.110(1)(c) for approximately 20 minutes.**

At 5:00 pm, Mayor Bassett convened the three Executive Sessions (noted above) for approximately one hour.

At 5:58 pm, Mayor Bassett adjourned the Executive Sessions.

#### CALL TO ORDER & ROLL CALL

Mayor Bruce Bassett called the meeting to order at 6:01 pm in the Council Chambers of City Hall, 9611 SE 36th Street, Mercer Island, Washington.

Councilmembers Debbie Bertlin, Jane Brahm, Mike Cero, Tana Senn, Benson Wong, Deputy Mayor Dan Grausz, and Mayor Bruce Bassett were present.

#### APPEARANCES

Mayor Bassett spoke about the evening's agenda and the request from a citizen to play a video regarding the Mercer Island Library. He welcomed speakers, but asked that comments be kept short due to the length of the council meeting.

Cornelia Schneider, 8541 East Mercer Way, distributed flyers regarding the Mercer Island Library at the MIHS homecoming parade. She noted that she received two types of responses, one was complete surprise and disbelief and the other one was resigned disgust. She asked the Council to write a letter to the KCLS Board asking that the remodel be put off until the new director is hired in November. She believes it is important to refresh, remodel and modernize the library using green design techniques and asked that a moratorium be placed on this project.

Deputy Mayor Grausz noted that the Council made the decision several months ago to do what it could to influence KCLS and the renovation. He stated that the City has no power to stop the project nor has any power to change the renovations, but that the Council has made a deliberate decision to try and influence the process through a citizen's committee. He noted that the public fervor is amazing, and wanted the public to know that the Council is listening and is not letting up.

Councilmember Cero believes that the Council as a whole can ask KCLS to delay construction. He noted that citizens have enough signatures to send this issue to the ballot to create a new library depending on what the

attorney general decides. He spoke about showing support by writing a letter to KCLS telling them to hold off on renovations until a new director is appointed.

Gary Robinson noted that to date, the Council has only heard from two constituents that are happy with the demolition of the interior of the library. His group has given the Council facts and data about the library that have been dismissed because the Council has too much on its plate to deal with the concerns. He stated that the Mercer Island Library should reflect what the community desires; not the standardized dictates of a remote KCLS bureaucracy. He noted that KCLS continues to be duplicitous and that much of what is being proposed by KCLS is contradictory to what they have done elsewhere. He stated that Mercer Island is different than other communities and asked Council to please send a letter to KCLS asking for a construction moratorium until the new director is appointed.

Eric Swenson, 8541 East Mercer Way, implored Council to stop the renovation. He noted that what citizens want are only the fiscally and environmentally responsible improvements to infrastructure and better resource access to KCLS holdings. He stated that there has been little support and no enthusiasm for the proposed KCLS changes. He spoke about Councilmember Cero writing a Seattle Times op-ed article regarding KCLS, and asked why the rest of Council has declined to press KCLS with equal vigor. He stated that more needs to be reclaimed. He spoke about KCLS asserting that they own the library and thus have the authority to do whatever they want, but that KCLS is not a private corporation and that it is the taxpayers that own KCLS. He asked Council to stand up for Mercer Island with a unified, strong voice instead of standing aside for KCLS, and called for a moratorium on building activity.

Bart Dawson, 8812 SE 77<sup>th</sup> Place, believes that most Mercer Islanders want to preserve the library as well as to improve it. He stated that if there are issues that cannot be resolved at the library board meetings, the Library Board should prepare a list of the changes that the board wants but that KCLS refuses to incorporate, the Library Board should forward that list to the Council, and the Council should forward that list by letter to KCLS asking them to make the requested changes. He noted that the letter should also state that if the changes are not accommodated the City Council will go on record as not concurring with the library renovation plans. He asked Council to write a letter because of the responsibility to look after the interests of Mercer Island first, and then the interests of KCLS. He also asked Council to please support the Library Board just as the Library Board is expected to represent all of Mercer Island.

Mark Clausen, 6107 SE 32<sup>nd</sup> Street, spoke about Council's consideration of a Transportation Benefit District. He noted that the Council's top priority must be to maintain the infrastructure of the Island and that the funds raised by the TBD could be directed to the needed infrastructure projects. He has seen with the school bond and with the fire station that if a project is well-designed and well thought out the voters will support it even though it may slightly increase the tax burden. He believes that Council has the opportunity to take a step to prevent problems and allow the City to maintain the surfaces and facilities that Mercer Island voters expect.

Jean Majury, 4544 88<sup>th</sup> Ave SE, spoke on behalf of herself and her husband Scott Majury, she asked the Council why they wanted to live on Mercer Island. She noted that parkland, trails, and open space represent and define us as Islanders but that open space is diminishing as the building boom on the Island continues. She stated that park land and open space must be preserved and protected. She asked why Council is selling a portion of Clarke Beach Park and questioned whether MICA should be built in Mercerdale Park. She asked Council to please remember why they chose to live here and asked to protect and preserve the park land and trails.

Brian Graham, 7900 East Mercer Way, spoke about his property which is the property that encroaches on Clarke Beach. He stated that there was nothing on public record that the property was encroaching on the park. He noted that neither realtors nor the City recommend a property line survey is done when purchasing a home, and now he is stuck in the middle. He thanked the Council for coming out to look at the property and stated that this sale needs to go through as his property will be destructed without it.

David Fennell, 8030 Avalon Place, spoke about growing up on the east coast and reading books in an old, local library that is still there. He noted that the community there would not dream of giving it up. He also spoke about the recent documentary about the Roosevelts and that they all chose not to be limited by the circumstances that they served in. He stated that it is a great service that the Council does for the community especially facing the long budget discussion this evening. He asked Council to consider that leadership does not end at the limits of what your charters assign you.

Tami Szerlip, 7804 SE 40<sup>th</sup> Street, made one last plea for the library, stating that the Council does have things to bargain with such as the fact that KCLS is still looking for a new director, the fact that people are still talking about having a vote, and the fact that there might be a pending lawsuit. She thinks that the Council should go for it as the answer might be yes and KCLS might listen.

Julie Takasugi, 9105 SE 44<sup>th</sup> Street, lent her support for the library issue. She thinks it is important for the community to know that the Council is on their side and that more transparency and information is needed to show support from Council.

Joy Matsura, 7264 West Mercer Way, asked Council to vote against the TBD, postpone it for a year, or let the voters decide. She spoke about the recent increase in stormwater fees, the new tax on water, the plastic bag ban which is causing people who used to reuse bags to have to buy plastic bags, raising fees for construction permits, raising property taxes to pay for a new fire station, and that three-fourths of the general fund goes toward personnel costs. She questioned how much of the TBD money will actually be spent on asphalt and that it is more likely that the money will go to sidewalks and road diets. She asked Council to vote against the TBD.

Dave McCann, 8182 West Mercer Way, praised the City for the great communications during the boil-water advisory, advocated for the TBD but asked Council to please keep it to transportation, and has noticed that the community feels Council is not actually listening in regards to the library. He agrees with Mike Cero's opinion regarding the library and thinks Council can do more as leaders and fight harder with KCLS.

Ira Appelman, 4436 Ferncroft Road, does not want a defective patched roof on the new fire station. He objected to the executive session to sell a portion of Clarke Beach to the encroaching land owner as he feels this has violated the public meetings act. He stated that KCLS will not walk away if Council advocates for the Island. He reviewed the minutes from KCLS from 2004 - 2014 and found a case in Federal Way where the City Council told KCLS they did not want their library moved and so KCLS did not move it. He feels confident that KCLS will listen to the City Council. He is against the TBD and asked for no tax increases.

Tom Imrich, 6231 Island Crest Way, stated that no car tab fee or TBD needs to be or should be implemented, as there is plenty of tax revenue in the budget. He noted that taxes and expenditures need to be based on community and public validated projects not on pet projects, which are driven by special interest wish lists. He asked Council to stop increasing taxes because difficult for long-time senior residents. Instead of proposing car tab rules, he asked Council to stop wasting money on astroturf, library renovations, subsidizing bus routes, and a botched fire station project. He believes that imposing a car tab fee is doing the wrong thing for the wrong reason against the will of a majority of Mercer Island taxpayers.

Tom Robertson, 4508 West Mercer Way, spoke about library users having serious concerns about the library plans. He believes that a fair representation from Council would be to make a statement saying that this not what our constituents want.

Andrea Pirzio, 4224 West Mercer Way, spoke about the Graham property at 7900 East Mercer Way, stating that the current homeowner did not encroach. He noted that the lot line is very irregular and, at the top, is a liability to the City because it is a very steep slope that could slide into the home.

Judy Ginn, 7815 85<sup>th</sup> Place SE, spoke about the library. She agrees that there are some things that need to be done but that most of the things that KCLS is saying need to be done do not really need to be done. She wishes that Council would speak up, ask KCLS to stop, and support the community by telling KCLS to spend their money someplace else.

## **CONSENT CALENDAR**

Deputy Mayor Grausz requested removal of AB 5015: Purchase and Sale Agreement for a Portion of Clarke Beach Park from the Consent Calendar. Mayor Bassett moved it to the first item of Regular Business.

**Payables: \$371,827.23 (10/02/14) & \$1,159,681.47 (10/07/14)**

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

It was moved by Grausz; seconded by Bertlin to:

**Approve the Consent Calendar and the recommendations contained therein.**

Passed 6-0

FOR: 6 (Bassett, Bertlin, Brahm, Cero, Grausz, Wong)

## REGULAR BUSINESS

### AB 5015 Purchase and Sale Agreement for a Portion of Clarke Beach Park

Councilmembers spoke about the property and the costs the City has incurred in remedying the encroachment into Clarke Beach Park.

It was moved by Grausz; seconded by Bertlin to:

**Authorize the City Manager to enter into a purchase and sale agreement for the purchase price of \$28,400, all closing costs, and 100% of costs previously paid by the City for a surplused portion of Clarke Beach Park.**

It was moved by Senn; seconded by Brahm to:

**Amend the previous motion to split the costs previously paid by the City 50/50 with the homeowner.**

Motion to Amend Passed 4-3

FOR: 4 (Bassett, Brahm, Cero, Senn)

AGAINST: 3 (Bertlin, Grausz, Wong)

Amended Motion Passed 4-3

FOR: 4 (Bassett, Brahm, Cero, Senn)

AGAINST: 3 (Bertlin, Grausz, Wong)

*Final language of motion: "Authorize the City Manager to enter into a purchase and sale agreement for the purchase price of \$28,400, all closing costs, and 50% of costs previously paid by the City for a surplused portion of Clarke Beach Park."*

### AB 5014 Establishment of a Transportation Benefit District (2nd Reading)

Assistant City Attorney Christina Schuck presented an ordinance for second reading regarding establishing a transportation benefit district (TBD) on Mercer Island. She spoke about the changes to the ordinance since the first reading including scrivener's errors and changes to section 3.26.050 Authority of District, prohibiting the District from issuing obligation bonds or revenue bonds and removing the word "tax".

She reviewed the governance of the TBD, noting that the City Council acts independently as the governing body and votes on an ordinance to authorize a vehicle license fee. She explained that without voter approval, the TBD can impose up to a \$20 vehicle fee and with voter approval; the TBD could impose a higher vehicle fee.

Councilmember Wong asked about interfund transfers to the Street Fund to cover the deficit. Finance Director Chip Corder responded for each of the funds, whether they could be used or not.

It was moved by Grausz; seconded by Brahm to:

**Adopt Ordinance No. 14C-11 as amended, establishing a Transportation Benefit District and set the first meeting for October 27, 2014.**

It was moved by Grausz; seconded by Cero to:

**Amend the previous motion as follows:**

**Amend MICC 3.26.050 to read:**

**C. The District may not authorize a fee on building construction or land development as provided for in RCW 36.73.120.**

Motion to Amend Passed 7-0

FOR: 7 (Bassett, Bertlin, Brahm, Cero, Grausz, Senn, Wong)

Amended Motion Passed 6-1  
FOR: 6 (Bassett, Bertlin, Brahm, Grausz, Senn, Wong)  
AGAINST: 1 (Cero)

## **AB 5013 2015-2016 Preliminary Budget: Operating Budget Review**

The Mayor opened the public hearing on the 2015-2016 Preliminary Budget at 7:58 pm.

Gary Robinson compared the money collected from a car tab fee to the cost of running a City library. He asked the Council to consider an innovative approach to look at new ways to finance the quality of life on Mercer Island.

Ira Appelman, 4436 Ferncroft Road, spoke about KCLS' model that no matter where you are the services are the same, but the taxing model has more expensive homes paying more for the services. He stated that Mercer Islanders are being taxed more because their homes are more expensive, KCLS is getting \$5-6 million from Mercer Islanders, and the actual cost of running the Mercer Island Library is around \$2 million. He stated that a City library would be a significant tax savings for Islanders.

The Mayor closed the public hearing at 8:01 pm.

Finance Director Chip Corder provided a review of major revenue estimates, expenditure summaries, fund balances, operating budget analysis, service enhancements requests and significant budget policy issues and or changes for the General, Criminal Justice, Beautification, YFS, Equipment Rental, and Utility (Water, Sewer, and Storm Water) Funds.

Director Corder and Accounting Manager LaJuan Tuttle walked the Council through each of the funds, seeking preliminary thumbs up or down votes from the Council on the major budget changes, service enhancements recommended by the City Manager, and significant budget policy issues/changes.

Maintenance Director Glenn Boettcher spoke about anticipated ongoing operational/capital impacts of boil water advisory events. He stated that the City has hired a consultant to review the event and provide findings and action plan items. Director Corder stated that the estimated cost of \$250K will be refined, if needed, depending on the results of the study.

The Council would like to review the following items at the 2015 Planning Session:

- Contingency Fund policy
- Employee compensation policy
- Market adjustment policy
- Report on Police Department overtime costs
- Fleet replacement metrics

Director Corder noted that at the November 3 Council Meeting, staff and Council would be reviewing the Capital Budget. He stated he would provide a REET forecast and review Council and staff changes to CIP "Preview", 2015-2016 projects by exception, 6-year fund statements, focusing on fund balances of Street, Capital Improvement, Technology and Equipment, and Utility (Water, Sewer, and Storm Water) Funds.

## **OTHER BUSINESS**

### **Councilmember Absences**

Councilmember Senn will be absent October 27.

### **Planning Schedule**

City Manager Treat reminded Council about the October 27 TBD meeting.

### **Board Appointments**

There were no appointments.

### **Councilmember Reports**

Councilmember Cero asked if there are alternatives to Comcast for franchise agreements. He spoke about reading an article on community policing and was pleased to see a police officer pictured on the front of the Mercer Island Reporter.

Councilmember Brahm spoke about her travels during the boil-water advisory and thanked staff for handling everything.

Deputy Mayor Grausz noted that SCA is asking for a vote on sending a letter to Jay Inslee asking that he support in his budget the funding for the youth ball fields.

Councilmember Senn noted that PSE has narrowed down their line energizing project and that none of the routes include the lake option.

Councilmember Wong spoke about recently joining the Rotary and doing some work at Proctor Landing.

Mayor Bassett spoke about meeting with Metro to discuss bus cuts and transportation options, and ways to mitigate those losses. He noted that Metro has agreed to run route 204 until 7:00 pm.

## **ADJOURNMENT**

The Regular Meeting adjourned at 11:28 pm.

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Bruce Bassett, Mayor

Attest:

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Allison Spietz, City Clerk