

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

July 9, 2024
6:00 p.m.

Council Chambers
Bellevue, Washington

PRESENT: Mayor Robinson, Deputy Mayor Malakoutian and Councilmembers Hamilton, Lee, Nieuwenhuis, Stokes and Zahn

ABSENT: None.

1. Call to Order

The meeting was called to order at 6:01 p.m., with Mayor Robinson presiding.

2. Roll Call; Flag Salute

City Clerk Charmaine Arredondo called the roll and all Councilmembers were present. Deputy Mayor Malakoutian led the flag salute.

(a) Parks and Recreation Month Proclamation

Councilmember Hamilton read the proclamation recognizing June 2024 as Parks and Recreation Month and encouraged everyone to enjoy the many benefits of Bellevue's parks, natural areas, trails and recreation facilities.

Michael Shiosaki, Director, Parks and Community Services Department, thanked the Council for the proclamation and noted the recent Bellevue Family 4th celebration at the Downtown Park. He said the event would not be possible without the Bellevue Downtown Association's co-sponsorship of the event. He thanked the Bellevue Fire Department, Bellevue Police Department, Transportation Department and Utilities Department for helping to ensure a safe and enjoyable event.

Mr. Shiosaki said the summer movie series in Downtown Park begins on July 16 and continues on Tuesday evenings through August 20. The Thursday evening movies will run from August 1 through August 22 at Crossroads Park. He thanked the Council for its support of parks, recreation and human services.

Mayor Robinson said the Parks and Community Services Department recently received three awards. Kim Indurkar, Mary Boyle and Jennifer Brown received the Ron C. Davis II Unsung Hero award from the Washington Recreation and Park Association (WRPA). Colin Walker

received a WRPA Citation of Merit and Director Shiosaki received WRPA's Impact and Influence Award. Mayor Robinson thanked everyone for their hard work and positive impact on the community.

3. Approval of Agenda

- Deputy Mayor Malakoutian moved to approve the agenda, and Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

4. Oral Communications

City Clerk Arredondo said the total time for oral communications is for a period not to exceed 30 minutes and topics must relate to City of Bellevue government. People speaking to items on the agenda will be called first and if time remains, others will be called. The presiding officer is authorized to give preference to individuals who have not spoken to the Council within the past 60 days or who are speaking to items that will come before the Council in the upcoming 60 days.

Mayor Robinson asked all speakers to be polite and civil and to avoid personal attacks against anyone.

- (a) Valentina Vaneeva expressed concern regarding a proposed appointment to the Transportation Commission. She opined that the nominee's political career played a more important role in her selection than her presentation. Ms. Vaneeva said she moves around the city mostly via transit. However, she is not aware of a single commissioner who relies on transit as their primary mode of transportation. She said this is an opportunity to address the imbalance and she urged the Council to consider someone with lived experience related to transit and other transportation modes.
- (b) Irene Muller, representing Essentials First, encouraged the Council and the City to support access to essential hygiene items for all Bellevue residents. She said they serve large families, multigenerational households, caregivers and others. She said no existing subsidy programs provide financial assistance for hygiene products. She said kids with access to hygiene essentials are more willing to go to school and better able to pay attention and to represent themselves as they would like in social situations. She encouraged the City to partner with Essentials First to meet these needs.
- (c) Fay Hou commented on the community's efforts to protect Bellevue's tree canopy. She said there have been meaningful discussions among neighbors on Nextdoor.com and other forums, and a petition has recently gained 75 new signatures. She urged the City to implement a system for inspection, enforcement and accountability for tree-related code violations. She encouraged the Council to ensure that Bellevue remains a City in a Park.
- (d) Timothy Siegel described four landscape workers at Downtown Park, each with a backpack-style leaf blower making a lot of noise. He said that was a good way to ruin an

otherwise pleasant walk through the park. He recalled that more than four years ago he sent an email to the Council, and 18 months ago he had a brief discussion with Mayor Robinson about the issue. Mr. Siegel said other cities have addressed the issue and approved codes to prohibit gas-powered yard tools that contribute to air and noise pollution. He said most of the gas-powered leaf blowers have two-stroke engines, which generate as much air pollution as 30-50 vehicles. He said he was aware of a proposed bill in the state legislature to address the issue. He encouraged the City to ban two-stroke engines, at least in parks and high-density residential areas. He encouraged the City to use battery powered leaf blowers.

Mayor Robinson noted the issue was discussed during the Council retreat. She asked the City Manager to follow up with an update to the Council.

- (e) Maria Hudson said she graduated from the University of Washington with honors, her father is a retired detective with the City of Seattle, and her mother is a retired college professor. Ms. Hudson said she is a disabled parent with a disabled child and she is currently involved in a lawsuit with the Bellevue Police Department and the King County Housing Authority. She said she is experiencing direct retaliation. Ms. Hudson's and her daughter's service animals were taken by a family member adjudicated for domestic violence. She alleged that the Bellevue Police Department assisted that person with concealing and transferring the service animals and told Ms. Hudson to sue them and that person. Ms. Hudson said she has been subjected to first amendment retaliation, false reports to Child Protective Services (CPS) and false reports of animal abuse. She said the Bellevue Police Department also failed to protect her daughter in the Bellevue School District. Ms. Hudson said she and her daughter are currently living in a domestic violence survivors shelter and the Bellevue Police Department did not respond to past requests for assistance.

Mayor Robinson suggested that Ms. Hudson follow up with the Council.

- (f) Catherine Rudolph expressed support for the proposed appointment of Susanna Keilman to the Transportation Commission. She said she has known and worked with Ms. Keilman for several years and described her as a high-quality thinker who would be an asset on the commission. Ms. Rudolph said she worked for the Pierce County Executive and oversaw boards and commissions for a long time. She understands that it is important to have high-quality people with expertise and good judgement in those positions.
- (g) Alex Tsimerman accused certain Councilmembers of being antisemitic. Mayor Robinson said he was not speaking to City of Bellevue issues or business.

5. Reports of Community Councils, Boards, and Commissions: None.

6. Report of the City Manager

(a) Experience Bellevue! 2024 Update

Acting City Manager Diane Carlson introduced staff's update regarding the Experience Bellevue! program.

Julie Ellenhorn, Program Administrator, Community Development Department, recalled that the City introduced the neighborhoods conference in 2016 and has continued to host conferences every two years. In 2024, the Experience Bellevue! program became more accessible and more engaging to a broader section of the community, including to families. She said there were more than 700 participants in three Saturday morning events, including the Spring District Family Festival. She noted that every City department participated in the events. She thanked the Council for kicking off the first event with a community breakfast. The attendees participated in bus and walking tours of parks and other facilities. Several of the tours were translated in English, Spanish and Mandarin.

Rainie Zhu, Cultural Outreach Assistant, said the 2024 program prioritized ensuring that all community members could engage with and benefit from the events, regardless of language and cultural barriers. She said the participants were positive about the program and said it helped them to feel welcome and included in the community. She said families were greeted in their language by friendly volunteers when they arrived at City Hall. Topics addressed during the events included recycling, water quality, CPR, emergency preparedness, digital safety, crime prevention and utilities. Ms. Zhu said staff heard positive feedback and enthusiasm regarding the events.

Ms. Ellenhorn said all of the events were designed to accommodate children and youth and included music, City resource tables, food trucks and other entertainment. Community partners included Sound Transit, Wright Runstad, KidsQuest Museum, Bellevue Schools Foundation, Bellevue Network on Aging and others.

Ms. Ellenhorn commented on the lessons learned from the 2024 events. She said the large pre-registration numbers demonstrated the community's interest in engagement and learning together. She said language-specific programming was appreciated and staff learned about ways to expand and enhance those efforts. She said Experience Bellevue! provides interactive, immersive programming and the events attracted many individuals who had no previous engagement with the City. She shared positive comments regarding the tours.

Upcoming neighborhood walks in 2024 are in West Lake Sammamish/Lake Hills on July 15, Factoria on July 17 and West Bellevue on July 18. All tours begin at 6:30 p.m.

Mayor Robinson thanked staff for the update.

7. Council Business and New Initiatives

(a) Council Liaison Recommendation for Appointment to Arts Commission

Councilmember Stokes, liaison to the Arts Commission, recommended the appointment of Qiong Chen and Joydeep Hazra to serve on the commission.

- Councilmember Stokes moved to appoint Joydeep Hazra to serve a partial term on the Arts Commission expiring May 31, 2026 and to appoint Qiong Chen to serve a full term expiring on May 31, 2028. Councilmember Hamilton seconded the motion.
- The motion carried by a vote of 7-0.

(b) Council Liaison Recommendation for Appointment to Transportation Commission

Councilmember Nieuwenhuis, liaison to the Transportation Commission, recommended Susanna Keilman to serve on the commission. He said he received emails of support from the Greater Seattle Korean Association and Asia Pacific Cultural Center. He noted that Ms. Keilman served in the United States Air Force, where she traveled extensively and experienced a number of different transportation systems. She has been involved in humanitarian missions related to water supply, housing and health care and understands that transportation infrastructure is a key driver for economic, cultural and safety benefits. Mr. Nieuwenhuis noted Ms. Keilman's focus on informed decisions based on data and the needs of residents and businesses.

- Councilmember Nieuwenhuis moved to appoint Susanna Keilman to serve on the Transportation Commission for a full term expiring on May 31, 2028. Councilmember Hamilton seconded the motion.
- The motion carried by a vote of 7-0.

8. Consent Calendar

- Deputy Mayor Malakoutian moved to approve the Consent Calendar, and Councilmember Stokes seconded the motion.
- The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved:
 - (a) Council Minutes
Minutes of June 11, 2024 Regular Meeting
Minutes of June 18, 2024 Regular Meeting
 - (b) Motion to award Bid No. 24013, Downtown National Highway System (NHS) Overlay project (CIP Plan No. PW-M-1), to Lakeside Industries as the lowest responsible and responsive bidder in the amount of \$7,844,622.00, plus all applicable taxes.
 - (c) Motion to award Bid No. 24006, 156th Avenue and Main Street and 156th Avenue SE and Lake Hills Boulevard Traffic Signal Improvements (CIP Plan

Nos. PW R-198 & PW-M-19), to Road Construction Northwest, Inc. as the lowest responsible and responsive bidder in the amount of \$2,437,111.50, plus all applicable taxes. This project is partially funded by the Neighborhood Safety, Connectivity and Congestion Levy.

- (d) Ordinance No. 6794: 1) authorizing execution of an interagency agreement “Amendment 4” with the Washington State Department of Enterprise Services and MacDonald-Miller Facility Solutions, LLC and all documents necessary for construction related to energy efficiency and electric vehicle charging stations at the Bellevue Service Center in an amount not to exceed \$9,262,875, plus all applicable taxes; 2) amending the 2023-2024 General CIP Fund to increase the appropriation by \$2,425,980; and 3) amending the 2023-2029 CIP Plan to increase the budget for ESI Energy Efficiency Prjs (CIP Plan No. G-122) by \$6,837,540; decrease the budget for Facility Operations Major Maintenance Plan (CIP Plan No. G-113) by \$3,186,000; decrease the budget for Electric Vehicle Infrastructure (CIP Plan No. G-121) by \$1,376,000; update project title of ESI Energy Efficiency Prjs (CIP Plan No. G-122) to BSC Retrofit; and update BSC Retrofit project scope to reflect the Electrical Systems Replacement and BSC EV Infrastructure originally planned within G-113 and G-121 respectively.
- (e) Ordinance No. 6795 relating to clearing and grading; amending Chapter 23.76 BCC to adopt new defined terms relating to trees, modify permitting requirements for tree or vegetation removal, clarifying the vesting and expiration of clearing and grading permits, and providing for retention or replanting of trees; amending Chapter 1.18 BCC to modify civil penalties associated with illegal tree removal and to clarify the enforcement procedure for violations of the Land Use Code and the Bellevue City Code relating to the removal of trees or vegetation; providing for severability; and establishing an effective date.
- (f) Ordinance No. 6796 relating to tree preservation, retention, replacement, and protection during construction; Repealing and replacing section 20.20.900 of the City of Bellevue Land Use Code (LUC) and amending LUC sections 20.25A.020, 20.25B.040, 20.25F.040, 20.25Q.020, 20.50.014, 20.50.016, 20.50.032, 20.50.042, 20.50.046, 20.50.048, and 20.50.052 to revise the City’s regulations in response to Bellevue’s Environmental Stewardship Plan Action N.1.1, calling for a comprehensive review and update of provisions in the Land Use Code and City Code for tree preservation, retention, replacement, and protection during construction; providing for severability; and establishing an effective date.
- (g) Ordinance No. 6797 renewing the non-exclusive Natural Gas Franchise granted by Ordinance No. 6176 to Puget Sound Energy, Inc., a Washington corporation for an additional five (5) years; and establishing an effective date.
- (h) Ordinance No. 6798: 1) authorizing execution of a grant agreement (and supplements if necessary) with the United States Department of Transportation (USDOT) to accept up to \$1,426,531 in federal Strengthening Mobility and

Revolutionizing Transportation (SMART) funding to support implementation of the Real-time Traffic Signal Safety Intervention (RTSSI) Project; and 2) amending the 2023-2029 General Capital Investment Program (CIP) Plan to increase the budget for the Smart Mobility Plan Implementation Program (CIP Plan No. PW-R-156) by \$1,426,531.

- (i) Resolution No. 10393 setting a time and location for a public hearing on a proposal to remove restrictive residential covenants on a City of Bellevue property known as Lot 19 of the Woodridge Addition Division No. 3 Plat located at 12020 SE 11th Street (“Ollis Property”) to allow the property to be developed for public use.
- (j) Resolution No. 10394 authorizing the execution of a purchase and services agreement with Municipal Emergency Services, Inc. (“MES”), in an amount not to exceed \$1,570,010.80, plus all applicable taxes, for a 3M Scott Fire and Safety Self-Contained Breathing Apparatus (“SCBA”) system, related equipment and services, required for use by the Bellevue Fire Department.

9. Public Hearings

- (a) Public hearing and budget workshop on the development of the 2025-2026 Operating Budget and the 2025-2034 Capital Investment Program Plan

City Manager Diane Carlson introduced the public hearing and discussion regarding the 2025-2026 operating budget and the 2025-2034 Capital Investment Program (CIP) Plan.

John Resha, Chief Financial Officer, Finance and Asset Management Department, said this public hearing is early in the budget process to solicit input from the community regarding priorities and interests. He said staff anticipates bringing the city manager’s preliminary budget proposal to the Council on September 17, and a public hearing is tentatively scheduled for September 24. The final public hearing will be held on November 12 and budget adoption is anticipated on November 19.

→ Deputy Mayor Malakoutian moved to open the public hearing, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 7-0.

City Clerk Charmaine Arredondo said the Council received four written communications regarding the public hearing, which are included in the Council’s desk packet.

- 1. Jonah Kowal, a resident of the Cougar Mountain area, said he recently graduated from Sammamish High School and will be attending the University of Washington this fall. He commented on his experiencing biking in Bellevue, Bothell, Issaquah, Mercer Island, Redmond, Seattle, Snoqualmie and Woodinville and discovering places he would not have otherwise found. He urged the Council to protect cyclists on local roadways and

encouraged more Bellevue residents to walk and bike. Mr. Kowal said biking represents recreation, transportation and community building. He encouraged the Council to enhance bicycle and pedestrian infrastructure in Bellevue.

2. Andrew Pardoe, a downtown resident, said he works for Meta in the Spring District. He thanked the Council, previous Councils and staff for their work. He urged the Council to provide safe infrastructure consistent with the Vision Zero program. He encouraged the Council to provide equitable housing for all to accommodate growth. He said the allocation of funds should be based on the impact of efforts instead of on studies and community outreach. He encouraged the Council to make Bellevue a better place to walk, bike and otherwise get around without a car. He expressed support for a sales tax levy to generate multimodal transportation funding.
3. Alice Meng, representing People for Climate Action (PCA), commented regarding the need to fund stronger City actions to address greenhouse gas emissions across Bellevue. She recalled that Bellevue joined the K4C (King County-Cities Climate Collaboration) in 2014 and committed to reducing greenhouse gas emissions by 50 percent by 2030 and by 80 percent by 2050. The City developed an updated Environmental Stewardship Plan in 2020. However, the City's yearly greenhouse gas emissions record shows that the plan does not significantly address the emissions goals. Ms. Meng encouraged more urgent action by the City to achieve the targets. She said transportation and buildings generate more than 90 percent of emissions. She encouraged the City to transition from the use of fossil fuels.
4. Court Olson, speaking on behalf of PCA, said the City's 2020 Environmental Stewardship Plan is not sufficiently robust to reduce greenhouse gas emissions and achieve the targeted reductions. He thanked the Council for providing funding in 2021-2022 for additional environmental sustainability staffing. However, he feels more funding and staff are needed. He noted other cities with higher funding levels. He said there are 23,000 gas furnaces in Bellevue. Last year, the Energy Smart Eastside program helped 60 homeowners to change from gas furnaces to heat pumps. Mr. Olson estimated annual expenditures of \$10 million to reach the 2030 and 2050 greenhouse gas reduction goals.
5. Chris Marks, a member of PCA, commented on the need to protect the health and well-being of its citizens in a changing natural world. She said the goals established in 2014 by the K4C forum are as ambitious and essential today as they were at that time. She said residents and businesses need help, including financial assistance, to reduce their carbon footprints. She said more funding is needed to expand the Energy Smart Eastside program and the City should fill that gap.
6. Jared Sager said he has lived in Bellevue for three years and works at Microsoft in Redmond, where he commutes by bike. He expressed support for the implementation of the Vision Zero plan, which he believes will attract more people to biking and other modes of transportation. He encouraged the development of more protected bike lanes.

7. Cameron Kast said he lives, works and commutes in Bellevue. He commented regarding the urgency for implementing Vision Zero program elements. He said progress in that program has stagnated in recent years, and the trendline of deaths and serious injuries has remained flat over the past decade. He said pedestrians, bicyclists and other non-motorized travelers are disproportionately affected and account for nearly half of all the collisions that result in serious injuries or fatalities. He encouraged funding in the budget to fully implement the Vision Zero program.
8. Putter Bert, President and CEO of KidsQuest Children's Museum, recalled that the museum opened 20 years ago in Factoria Mall in less than 10,000 square feet. Eight years ago, the museum relocated to the downtown and expanded to 17,000 square feet. The museum currently has 43 full-time staff members. Ms. Bert requested \$20 million to support the development of the museum's new 40,000 square foot building. She said the museum serves more than 200,000 people annually. However, they continue to turn away people interested in programs, camps, birthday parties, special events and general admissions. Ms. Bert said they are currently exploring partnering with SRM Development to build a new museum on 118th Avenue near the Public Storage building, with 46 units of affordable housing on the upper three floors of the building. She said the museum needs to secure \$30 million by the end of the first quarter 2025 to commit to the project. She said the museum has served 2.9 million visitors to date.
9. Tim Motts, representing Boys and Girls Clubs of Bellevue, said this budget is important for all of the nonprofit organizations that receive support from the City. He said 75 percent of their 16,000 members are people of color who largely have no other affordable options for after-school recreation and activities. He said 14 of their 18 clubhouses are east of I-405. He urged the Council to help support youth and families.
10. Ruth Lipscomb thanked the Council for considering the proposed tree codes and requested funding for the enforcement of the new codes. She requested enhanced funding for the Vision Zero program that was initiated nearly 10 years ago. She suggested that the Council use its taxing authority to raise \$10 million annually to expedite the completion of multimodal improvements.
11. Yuanmeng Zhao, a resident of the Overlake area, said he works at Microsoft and uses the 2 Line to visit Bellevue. He encouraged enhanced funding to achieve Vision Zero program goals by 2030.
12. Scott Aldridge expressed support for increasing investments in bike infrastructure. He suggested providing a better connection between the Wilburton light rail station and the Uwajimaya store and shopping center on 120th Avenue NE.
13. Betsi Hummer said she lives next to Bellevue College and is a lifelong resident. She thanked the Council and staff for their dedication and non-partisan, careful approach to the budget. She said that public safety, traffic, transportation and parks are the highest priorities for Bellevue residents. She said there are also concerns about increasing housing costs and property taxes. She said law enforcement and public safety should be

top priorities in the budget. Ms. Hummer encouraged continued improvements for multimodal transportation and adequate funding for parks. She thanked Councilmembers for their commitment and work on behalf of the community.

14. Ben Mickle, a downtown resident, expressed support for continued investments in transportation safety projects. He said there has not been a pedestrian or bike fatality in Bellevue since 2020, which he considers a great achievement and reflective of Vision Zero efforts. He said City staff has done a good job on the new speed management plan and he encouraged funding to put it into action. He expressed support for the continued expansion of the bike lanes network, especially between residential areas and light rail stations. He praised the curb extensions installed at the all-way stop in Old Bellevue, noting that they have simplified the intersection for drivers and reduced pedestrian crossing distances.
15. Abraham Willner-Martin commented on the importance of voting and getting younger people to vote. They said people need to be convinced that the democratic process provides benefits for them, their families and their communities. They expressed the need for full funding for the Vision Zero program, stating that many young people today do not own cars and investing in bike infrastructure is one way to demonstrate to young people that the City is interested in supporting them.
16. Annemarie Dooley, a physician at Overlake Hospital Medical Center, expressed support for funding the Bike Bellevue Plan and Vision Zero program. Noting concerns expressed in the community that bike lanes can interfere with emergency response times, Dr. Dooley said she met with the head of Medic One and he is not concerned that bike lanes increase emergency response times. She said she also spoke to a Bellevue Fire Department lieutenant, who agreed that bike lanes do not interfere with emergency response times. She urged the Council to fully fund bike and transportation safety infrastructure.
17. Christopher Randels, representing Complete Streets Bellevue and 10 other organizations, urged the Council to take bold action with the Vision Zero program in this budget process. He noted the need for critical safety infrastructure on the busiest streets. He requested rapid build solutions to increase safety and mobility options. He suggested that the Council use its authority to raise funds for multimodal travel infrastructure. He expressed appreciation for everything the City has done to date to enhance road safety.
18. Alex Tsimerman said the City has prosecuted him four times, which has cost him a lot of money. He expressed concern about the City's expenditures on prosecuting crimes.
19. Arman Bilge said he signed the Complete Streets Bellevue letter to the Council to express support for increased funding for the Vision Zero program. He thanked the City for the amazing investments to date and encouraged the City to keep moving forward. He thanked Councilmembers for their attention to Vision Zero, safety, pedestrians, cyclists and drivers.

20. Timothy Siegel commented on the important impact of public safety on nearly every topic discussed this evening. He encouraged adequate funding to enforce traffic rules and to decrease transportation-related injuries and fatalities. He said there needs to be safe streets to support and encourage transit use.
 21. Naren Briar said she works on ethics and AI at Meta, lectures at a local retirement center and supports genocide survivors through her nonprofit organization. She said she analyzed Bellevue's voting demographics and noticed that voters tend to be older. She proposed that Bellevue hold an annual event for world leaders and artists to deliver speeches and host interactive engagements for people of all ages and backgrounds. She noted a number of contacts who are interested in participating in such an event. She suggested this could be one way to attract the younger demographic to be interested in and engaged with local government.
 22. Evan Lee expressed support for funding for the Vision Zero program and multimodal transportation infrastructure. As a person with disabilities, he said he has learned the importance of mobility, especially for people who do not use cars. He advocated for infrastructure and programs to empower youth to be more mobile and independent.
- Deputy Mayor Malakoutian moved to close the public hearing, and Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

John Resha, Chief Financial Officer, Finance and Asset Management Department, introduced staff's presentation regarding the 2025-2026 operating budget and the 2025-2034 Capital Investment Program (CIP) Plan.

Evan Phillips, Financial Strategy and Performance Director, said budget resources include cash, reserves, annual revenues, utility fees, license and permit fees, charges for services and other sources. The 2024 amended budget totals \$1.48 billion. Mr. Phillips noted grant funding of \$27 million to the City.

Mr. Phillips said the presentation would focus primarily on taxes. The 2024 tax sources for the City are the sales tax, real estate excise tax (REET), business and occupation tax, property tax, motor vehicle fuel tax and utilities taxes. The 2024 amended taxes budget totals \$344 million. Voted levies include the parks levy approved in 1988, mobility levy, fire facilities levy and 2022 parks levy.

Mr. Phillips described annual tax revenue growth from 2002 to 2023 for the property tax, utilities tax, sales tax, B&O tax and REET. He said the REET has the highest volatility, followed by the B&O tax and sales tax. Utilities and property taxes are more stable during economic cycles.

Mr. Resha said that in exploring the REET volatility, staff determined that the biggest variables are the sales exceeding \$50 million for larger commercial properties. He said there have been

significant shifts from year to year at times. He said there have not been any projects of that size this year.

Regarding sales tax volatility, Mr. Resha suggested that the Council review the construction sales tax.

Mr. Phillips said that while some of Bellevue's revenue sources can be somewhat volatile, the sources are more diverse than other cities. Noting broad observations, he said City revenues are flat on net, with some growing and some decreasing every year. He said staff is suggesting that the Council explore reductions in one-time revenues from the REET and construction-related taxes. Mr. Phillips said there continues to be a structural gap in the long-term budget between expenditures and revenues. He said forecasters anticipate an upswing in construction activity again in 2026.

Mr. Phillips presented a graph of actual and forecasted tax revenues from 2019 through 2034. Since the pandemic, the Bellevue economy has been getting back to normal. In 2025/2026 and beyond, the City's tax revenues become more balanced and steadier. Mr. Phillips presented a graph depicting the growth in tax dollars collected since 2019 and forecasted through 2034.

Mr. Phillips presented a table of forecasted tax revenues from 2021 through 2030. For the 2025-2026 budget, total tax revenues are nearly \$309 million in 2025 and \$323 million in 2026.

Mr. Resha said the next section of the presentation would address the preliminary budget inputs and approach including the financial policy update, updated strategic target areas (STAs), Council priorities, budget survey, budget equity toolkit and acting city manager's guidance.

Mr. Resha recalled a previous discussion with the Council regarding the City's comprehensive financial policies. He said the Council provided direction in three key areas and the related draft document is included in the meeting packet. He recalled the concept of the investment waterfall, which prioritizes debt for maintaining assets and services. The next priorities are delivering on planned growth, putting money aside for future growth and finally, providing new programs and services.

Mr. Resha recalled past discussion about the draft guiding principles focused on stewardship, transparency, professionalism, balanced risk profile and ability to be nimble with new opportunities. Policy updates address debt, the 10-year CIP and financial visibility. Mr. Resha said the proposed updates clarify that debt has a strategic place within the investment cycle that might provide an opportunity to reduce certain long-term costs.

Mr. Resha recalled that the Council reviewed their STAs and reexamined how the City organizes projects and services to deliver on the Council Vision. The new STAs are built and natural environment, vibrant culture and economy, public health and safety, transportation and mobility, thriving people and communities, and high-performance government. Mr. Resha referenced the recent update to the 2024-2026 Council Priorities.

Mr. Resha noted the management brief in the meeting packet regarding the 2024 budget survey. The respondents' top budget priorities are a resilient and secure place where all people are safe and welcome, a livable city with world-class places, sustainable and reliable transportation, well managed and accountable government, equitable and caring community, and a city where innovation thrives and culture blossoms. Mr. Resha said budget staff received input from additional sources including the Communities of Color Coordinating (CCC) Team and the business community.

Mr. Phillips noted there were a number of community surveys with approximately 2,500 respondents this year. He said the City is making calls and sending out mailers to increase participation as much as possible. Mr. Resha said a new budget equity toolkit was introduced for this year's budget process.

City Manager Carlson said the City is in a relatively stable position going into this budget cycle. However, it is not a growth budget. She said she and Mr. Resha directed staff to focus on delivering on investments made during the 2023-2024 adopted and mid-biennium budgets, advancing the Council's 2024-2026 priorities, furthering the objectives reflected in the STAs and planning for the future and continued growth.

Ms. Carlson highlighted the various staff groups involved in preparing, reviewing and evaluating budget proposals.

Ms. Carlson said community information sessions will be held this fall to familiarize the public with the budget and to provide the opportunity for the public to ask questions and provide input.

Mr. Resha said the preliminary budget will be transmitted to the Council on September 17 and the second public hearing will be held on September 24. Budget overview sessions will continue through October and the final public hearing will be held on November 12. Staff tentatively anticipates adoption of the budget on November 19.

At 8:13 p.m., Mayor Robinson declared a short break. The meeting resumed at 8:25 p.m.

Councilmember Zahn thanked staff for the information. She said she was glad to hear that revenues are flat because a lot of cities are struggling. She noted the challenge this year to position for the future and to make smart, strategic investments.

Responding to Ms. Zahn, Mr. Resha described staff's review of proposals and Council Priorities, including looking for ways to advance certain items or projects. Ms. Carlson said staff wants to be transparent about what they are able to accomplish. She said there will be ongoing Council discussion regarding further prioritization of objectives.

Councilmember Nieuwenhuis thanked the community for providing input to the Council. He thanked department directors and staff for their work and attendance that evening. He thanked the city manager for her excellent guidance regarding the budget. He urged caution in developing the budget. He thanked staff for their extensive community outreach.

Councilmember Nieuwenhuis said he appreciated the emphasis on retaining the City's robust reserves for unanticipated or emergency situations. He said he looked forward to continued budget discussions.

Councilmember Hamilton thanked staff for the presentation and meeting materials. He said he appreciated the community's input and noted that the City cannot do everything it would like to do. He said he has appreciated, over the years, that the City made critical strategic investments. He thanked staff for working to find the right balance in the budget and praised the diversity of tax revenues. Responding to Mr. Hamilton, Mr. Resha said the City's current banked property tax capacity is \$8 million to \$8.5 million.

In further response to Mr. Hamilton, Mr. Resha said the broader economic climate reflects that the sales tax and construction tax are impacting revenues. There is positive consumer confidence. Mr. Resha said that while vacancy rates are low, it is exciting to see new businesses coming in to Bellevue. Mr. Phillips said Bellevue is a nationally competitive market for office real estate class A. However, there are areas where class B and class C office spaces are struggling.

Councilmember Hamilton asked about options for identifying and adding new revenue. Mr. Resha said there are always different types of revenue sources available that have been provided by the state. He said the transportation benefit district (TBD) is one opportunity for generating revenue for transportation projects. Others include levies and smaller funding sources.

Responding to Mayor Robinson, Mr. Resha said staff would send a list of revenue options to Councilmembers.

Councilmember Stokes thanked staff for their work. He commented on the challenge of preparing the City's budget given competing priorities, development cycles, economic conditions and other factors. He encouraged staff to continue planning for future growth.

Councilmember Lee thanked the public for providing input and acknowledged that there are limited resources. He said it is important to follow existing policies and to monitor the reality of budget expenditures. He said the Council has developed good policies and listens to the public. However, it is important to work hard to ensure we have the financial means to implement projects and programs. He said the Council and staff want to hear from the community.

Responding to Mr. Lee, Mr. Resha said that for the Comprehensive Plan periodic update, the Council is currently working on the policy framework. Following the adoption of that framework, staff explores what they need to do to support individual policies and goals. Mr. Resha said the investment waterfall approach plans for future growth. He said the prioritization process and tradeoffs will be discussed in future meetings.

Councilmember Lee said it might be necessary to consider additional revenue sources. Responding to Mr. Lee, Mr. Resha said there will be more frequent online reporting in 2025 related to the budget and how the City is delivering its priorities.

In further response to Councilmember Lee, Mr. Resha said the key reserves and contingencies will be included in the financial plan and transparent for the public.

Councilmember Lee said he has always opposed the one percent property tax increase because it is not directed toward a specific need. Mr. Resha explained that the one percent increase does not cover inflation, and the City is relying on the other more volatile revenue sources to help fill the excess capacity. Mr. Phillips said the one percent property tax increase will not keep up with inflation or the cost of services. However, it helps to hedge against the volatility discussed tonight.

Mayor Robinson thanked staff for the comprehensive meeting packet materials and encouraged everyone to read them.

Deputy Mayor Malakoutian thanked staff for the presentation and for making a complex topic relatively easy to understand. He said public input is critical during the budget process and he encouraged more people to participate in future public hearings on September 24 and November 12.

Mr. Malakoutian said the current economic climate is impacting City revenues. He said it is important to maintain existing infrastructure and prioritize existing services.

Mr. Malakoutian asked about the shift from a seven-year to 10-year CIP Plan. He said the benefit is obvious. However, he wondered whether there are any drawbacks. He noted the volatility of the REET, B&O tax and sales tax and asked whether there is any mitigation the City could employ.

Mr. Resha said one drawback of the 10-year CIP Plan is that the accuracy of the economic forecast decreases in the out years. However, one positive outcome is that it requires the organization to think of the longer term strategy and priorities. Responding about mitigation to address the volatility of certain taxes, Mr. Resha said one strategy is to change the mix of revenues to more stable sources. Mr. Phillips commented regarding the benefit of diversification within the local economy, which enhances resiliency.

Mayor Robinson thanked the public for their input and staff for their hard work. She referred to slide 11 of the presentation and expressed concern that forecasted tax revenues do not capture the projected increases in utility rates over the next 10 years. She said the chart also does not reflect the incredible amount of growth anticipated by the City.

Ms. Robinson noted the City's plan to pursue grant funding for a major lake lines utility infrastructure project. She concurred with Councilmember Zahn that the needs of the community are growing. Ms. Robinson expressed an interest in the KidsQuest Children's Museum funding request, the rapid implementation of Vision Zero infrastructure, increasing human services funding and increasing arts funding.

Mayor Robinson said she witnessed what happened in the past when the City did not continue to increase its property tax on an annual basis. She said projected revenues went down and the City had a lot of catching up to recover from the deficit that was created.

10. Study Session

(a) Emergency Management Program Update

City Manager Carlson introduced staff's update regarding the Fire Department's Emergency Management program.

Fire Chief Jay Hagen introduced Ellen Montanana, Planning Coordinator; Bret Berntsen, Training Coordinator; and Hazel Phillips, Senior Administrative Assistant, from the Emergency Management Division.

Carl Lunak, Emergency Manager, Fire Department, said the types of emergencies experienced in Bellevue and the region include winter weather events, flooding, fires and windstorms. He said emergencies include everyday incidents, tactical responses, coordinated responses (e.g., severe weather event), and coordinated large responses involving state or federal resources (e.g., catastrophic earthquake, pandemic). Mr. Lunak commented on the importance of clear, consistent communications across all departments and agencies.

Mr. Lunak said a number of plans guide their work including two strategic plans (Comprehensive Emergency Management Plan, Continuity of Operations Plan), two operational plans (Shelter Management Plan, Disaster Debris Management Plan) and two tactical plans (Incident Action Plan, Event Action Plan). He commented on staff's coordination with the Parks and Community Services Department and other departments and partners.

Ongoing projects include updating the Comprehensive Emergency Management Plan by late 2025, updating the Continuity of Operations Plan and updating the Hazard Mitigation Plan. Mr. Lunak said the Transportation Department, especially Kristi Oosterveen, helped to secure a grant to fund the development of the Hazard Mitigation Plan. He said the plan will help the City apply and qualify for infrastructure grants from the federal government. Additional projects include staff emergency shelter training and Emergency Operations Center (EOC) technology upgrades.

Mr. Lunak highlighted staff's community engagement efforts including emergency preparedness workshops and putting together emergency kits. An emergency preparedness workshop will be held this fall. The Community Emergency Response Team (CERT) Basic Class will be offered on Tuesdays, September 10 through October 22, and the final drill will be held on Saturday, October 26.

Councilmember Zahn thanked staff for the update and for raising the issue of emergency preparedness. She noted that she is CERT certified. Responding to Ms. Zahn, Mr. Lunak said the Shelter Management Plan is not designed to establish shelters that function as temporary, short-term cooling centers. In looking at the impacts on events at community centers and on City staff, he said it did not seem like a good, responsible use of resources to designate it for short-term,

daytime shelter from the heat. Mr. Lunak said they are looking at opportunities across the city to take advantage of other shared spaces (e.g., libraries, shopping centers) for cooling centers.

In further response to Ms. Zahn, Mr. Lunak said staff publicizes the CERT program and other educational opportunities.

Deputy Mayor Malakoutian thanked emergency management staff for their hard work and community engagement.

11. Land Use: None.

12. Other Ordinances, Resolutions, and Motions: None.

13. Written Reports

(a) Report on the Pilot Dog Off Leash Area Program 2023-2024

(b) Environmental Stewardship Initiative (ESI) Quarterly Update

(c) Intergovernmental Affairs Monthly Update

14. Unfinished Business: None.

15. New Business: None.

16. Executive Session: None.

17. Adjournment

At 9:50 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

/kaw