

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

October 8, 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 6:02 p.m., with Mayor Robinson presiding.

Ms. Robinson said individuals are not allowed to disrupt the meeting, which includes talking out of turn or without permission, interrupting or making sounds when someone else is talking or approaching a Councilmember or City employee who is staffing the meeting. If a person disrupts the meeting, Mayor Robinson will issue a warning or ask the person to leave the room for the rest of the meeting. She asked everyone to express themselves without name-calling, taunting or disparaging others.

2. Roll Call; Flag Salute

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

(a) Pregnancy and Infant Loss Awareness Month Proclamation

Councilmember Zahn read the proclamation recognizing October 2024 as Pregnancy and Infant Loss Awareness Month in Bellevue and observing October 15, 2024, as Pregnancy and Infant Loss Remembrance Day. She encouraged parents, caregivers and all residents to learn about opportunities to prevent pregnancy and infant loss and to support bereaved families when prevention is not possible.

Lisa Proehl shared her experience of infant loss due to stillbirth in 2002, noting that she has been working with organizations that address infant loss since that time. She said many families have experienced pregnancy and infant loss but there is still a certain amount of silence and stigma around such losses. She thanked the Council for the proclamation and commented that the acknowledgment is important to families and individuals.

(b) Domestic Violence Action Month Proclamation

Councilmember Hamilton read the proclamation recognizing October 2024 as Domestic Violence Action Month in Bellevue and urged everyone to speak out against domestic violence and to support local efforts to prevent and end domestic violence. He encouraged survivors, their loved ones and concerned individuals to contact LifeWire (425-746-1940 or lifewire.org) for information and assistance.

Patrick Martin, Bellevue LifeWire, thanked the Council for the proclamation. He said Lifewire provides a range of services including rapid rehousing, shelter, legal and mental health services, and prevention training. Since the organization's founding in 1982, LifeWire has reached more than 165,000 survivors from the Eastside and beyond. Mr. Martin said that, according to national statistics, one in four men and one in three women will experience physical violence from a domestic partner in their lifetime. In Washington state, more than 49 percent of all crimes against persons involve domestic violence. Mr. Martin said survivors come from every background, culture, income level and education level. He thanked the City for decades of support and collaboration with LifeWire and for recognizing that domestic violence violates a fundamental human rights issue. He said the regional domestic violence crisis line is 206-737-0242, or call the local number above.

(c) Indigenous Peoples' Day Proclamation

Deputy Mayor Malakoutian read the proclamation recognizing October 14, 2024, as Indigenous Peoples' Day in Bellevue and urged everyone to reflect on the history, contributions and resilience of Indigenous people to the benefit of our communities. He acknowledged that we are on the ancestral homelands of the Coast Salish people, which includes the Duwamish, Suquamish, Muckleshoot and Snoqualmie tribes. He noted the City's commitment to building and strengthening relationships with our tribal neighbors as it strives to effectively serve everyone including Alaska Natives, Native Hawaiians and all Indigenous communities.

Bob de los Angeles, Chair, Snoqualmie Tribal Council, thanked the Council for the proclamation. He said the Snoqualmie Tribe has occupied the area between Snoqualmie Pass and the Salish Sea for thousands of years. Today's tribes are job creators, leaders in environmental protection and restoration, and advocates for elders and youth. Mr. de los Angeles said they look forward to partnerships with the City to help shape sustainable prosperity for future generations.

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. Persons 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.

- (a) Chris Marks, representing People for Climate Action, expressed concern regarding greenhouse gas emissions related to the use of fossil fuels. While emissions decreased during the pandemic, they have been increasing since that time. She encouraged the City to take new, strong actions to reduce emissions and reverse that trend. She said existing buildings cause 49 percent of current emissions and vehicles cause 26 percent of emissions. She said People for Climate Action has proposed that the City spend \$9.8 million annually to implement a number of actions. She encouraged the Council to increase funding to address greenhouse gas emissions.
- (b) Putter Bert, President and CEO, KidsQuest Children's Museum, said that after five years of observing children and families playing in the museum's current water exhibit, staff concluded that the focus on science and engineering was effective but limiting. To reconceptualize and renovate the space, the museum decided to retain water as a material for interactive play and to use it as a launch pad to explore what water means to human survival and culture. At the same time, the local Native American community observed that the museum had no Indigenous representation in its current exhibits. With help from the Tribes, the museum addressed this omission by renovating the water exhibit from a Native perspective. Ms. Bert said a citizen advisory committee was assembled that included members of the Snoqualmie, Duwamish and Tulalip Tribes to work with staff to establish a new water exhibit that is culturally responsive and affirming to Indigenous peoples and enriching to non-Native audiences. The resulting exhibit is called Stories of Water from a Native Lens. Ms. Bert encouraged the Council to provide funding for the museum to support critical improvements to the water gallery space and the new exhibit. She thanked the City for its ongoing partnership.
- (c) Suzanne Baugh, Chair of the KidsQuest Children's Museum Board of Trustees, expressed support for the Art Commission's funding recommendations. She commented on the tremendous growth in the museum since it originally opened its doors at Factoria Mall. She said the museum serves more than 200,000 people annually and is a place for children, families and caregivers to come together as a community in meaningful learning experiences. She described the enthusiasm of children experiencing the museum for fun and education. She urged the Council to support funding to renovate the water gallery exhibit and to replace the building's heating and cooling system. Ms. Baugh thanked the City for its ongoing partnership and support.
- (d) Chanell Sagon-Saniatan, Manager of People and Culture, KidsQuest Children's Museum, commented on the museum's initiative to ensure diversity, equity and inclusion. As a Native Hawaiian, Filipino, and Japanese woman, mother, wife and employee, she has been intentional about finding a work environment that supports and creates a safe space

for individuals to be their authentic selves. She encouraged the Council to support the museum's funding request.

- (e) Sue Mercer said she recently returned from Jamaica and would be traveling to Kenya the following day. She expressed her ongoing concern regarding potholes in Bellevue that need repair, particularly near I-90 and the Mercer Slough. She encouraged the City to ensure that the State properly maintains I-90. She noted similar potholes on SE 22nd Street between 148th and 156th Avenues SE. She said she will continue to house individuals experiencing homelessness while she is gone, including colleagues from Jamaica. She encouraged efforts to reduce traffic congestion in downtown Bellevue.
- (f) Alicia Sebastian, a junior at Newport High School, said she serves as co-chair of the Climate Action Team in the Bellevue Youth Council. Speaking as an individual, she expressed concern about drastic changes in the world due to climate change. She noted the recent hurricanes that are increasing in severity. She encouraged the City to increase its environmental stewardship staff to address greenhouse gas emissions. She thanked the City for its efforts to date and encouraged continued progress to meet 2030 emission reduction goals. She encouraged increased funding and a stronger emphasis on implementing the Mobility Implementation Plan and the Energy Smart Eastside program.
- (g) Fay Hou commented on an ongoing environmental issue at SE 52nd Street in the Newport Hills neighborhood. She shared photos of a house and said that after the occupant passed away, the property was purchased by a builder. She said their site plan includes mislabeled trees, including a tree labeled as smaller than it actually is. She expressed concern that all of the trees will be removed. She said the planned house is described as 4,800 square feet and the lot has 8,936 square feet. She said the maximum house size allowed is 50 percent of the lot size, which would be 4,468 square feet. She said the actual size of the house is more than 5,000 square feet. She said a stop work order is currently in place. However, she observed digging on the site earlier that day. She asked the Council to stop all work on both the house and site until issues are resolved.

Responding to Mayor Robinson, Acting City Manager Carlson said staff has been in contact with Ms. Hou and will continue to follow up.

- (h) Alex Tsimerman expressed concern about statements by police officers and prosecutors involving a case against him for trespassing.

5. Reports of Community Councils, Boards, and Commissions

- (a) 2025-2026 Arts and Cultural Facilities Grant Allocations

Acting City Manager Diane Carlson introduced staff's presentation of the proposed Art and Cultural Facility Grant Program allocations.

Lorie Hoffman, Arts and Creative Economy Manager, said staff is requesting Council action to approve the Arts Commission's recommendations for 2025-2026 capital projects and facility maintenance grants in the Art and Cultural Facility Grant Program.

Manette Stamm, Arts Program Analyst, said the program was approved in July 2024 with a 2025-2026 budget of \$1.8 million. The program supports existing and emerging arts and culture organizations with capital and maintenance projects. The grant awards are reimbursable and organizations must have two years of operation and site control of their facility in Bellevue to be eligible for grants.

The grant application and public outreach were initiated on July 1 and free grant writing support was provided where requested. The application period closed on August 12 and the allocations committee reviewed seven applications requesting more than \$22 million. The recommended awards totaling \$1.8 million were presented to the Arts Commission in September, and the commission's recommendations have been forwarded to the Council for approval.

Lydia Aldredge, Chair, Arts Commission, described the recommended grant allocations and presented a map of the facility locations in Bellevue. The first recommended grant is \$400,000 for the KidsQuest Children's Museum to remodel its existing water gallery for a new exhibit described during oral communications called Stories of Water from a Native Lens. Ms. Aldredge said the museum is also considering a new facility. However, any new facility would likely not be operational for at least five years.

The second funding recommendation is \$462,000 for Theatre33 to reimburse expenses for the second and third construction phases of its facility in the BelRed Arts District. The third funding recommendation is \$87,500 to Theatre33 for the purchase and installation of an air conditioning system. Investing in air conditioning will allow the theatre to expand its programming during the summer months.

The fourth funding recommendation is \$600,000 for the construction of a 2,400 square foot dance studio expansion for the American Asian Performing Arts Theatre (AAPAT). Ms. Aldredge said that after the theatre suffered significant fire damage in Seattle's International District in 2020, the theatre relocated to Bellevue in the Lake Hills area but quickly outgrew its space.

Chair Aldredge said the Arts Commission recommends funding of \$250,000 for upgrades and maintenance needs at the Carlson Theatre at Bellevue College. The grant will support new lighting, furniture, carpet and other updates as its current state is largely original from its 1972 opening. The only upgrade since that time was related to accessibility requirements.

Ms. Hoffman said two applications were not recommended for funding. However, the allocations committee found them worthy of future funding consideration. The first is a request from the KidsQuest Children's Museum for \$20 million to help develop a new 40,000 square foot space in a mixed-use development with affordable housing in partnership with SRM Development. The development would be located in the Mercer Slough area and provide more parking and outdoor space for the museum and adjacent housing. The preliminary estimate for the museum portion of

the development is \$60 million to \$70 million and the museum would need to secure significant commitments by first quarter 2025. Ms. Hoffman said the allocations committee strongly encouraged the City's consideration of the project. She said Council action would be required to provide the funding.

Ms. Hoffman said a second proposal not recommended for funding is a \$500,000 request from the Tasveer Art Center to provide office and community spaces, classrooms and a film theatre in Bellevue. The allocations committee encouraged the City's consideration of the project after a final site is selected, if the site is in Bellevue.

Ms. Hoffman said next steps are to notify the organizations about the grant awards and to develop individual contracts. The expenses are reimbursable through the grants. The scope of work outlined in the contract must be completed, ensuring that a public benefit is being delivered, before funds are released. All contracts over \$300,000 will be presented to the Council for final approval.

Councilmember Stokes, liaison to the Arts Commission, said he has worked with the commission for a long time and was involved when the KidsQuest Children's Museum moved to its downtown facility. He said the museum is a great asset for Bellevue and the region.

→ Councilmember Stokes moved to approve the Arts Commission's recommendations for 2025-2026 Capital Projects and Facility Maintenance grants in the Art and Cultural Facility Grants Program. Councilmember Nieuwenhuis seconded the motion.

Councilmember Nieuwenhuis thanked the Arts Commission for their work and asked about the criteria used for their review. Ms. Stamm said staff could follow up by sending the full guidelines and criteria, which included feasibility, other investments in the projects, and the financial stability of the organizations. Chair Aldredge said the community benefit of projects is also considered including the number of people who benefit and the community wide impact.

Mr. Nieuwenhuis expressed support for the five funding recommendations and noted an interest in the other two requests as well. He said the KidsQuest Children's Museum is the seventh most visited museum in the state. He acknowledged the positive economic impact of arts facilities and programs in Bellevue. He thanked Councilmember Stokes for his continued advocacy of arts funding.

Councilmember Hamilton expressed support for the recommendations and thanked the Arts Commission for their work.

Councilmember Lee expressed support for the funding recommendations and the selection of the organizations to receive grants. He expressed concern, however, that in funding capital projects, the City cannot be sure that the projects will be completed and continue to provide a public benefit. He noted the recent closure of the Bellevue Arts Museum. He said he is comfortable with funding the KidsQuest Children's Museum, which has been around for a long time and continues to thrive.

Ms. Hoffman said one of the requirements for the capital projects grants is that the organization have site control or ownership of their property. For grants exceeding \$500,000, the City will record a deed of trust to secure the City's investment in the facility.

Councilmember Zahn expressed support for the funding recommendations and noted the need for arts facilities. Regarding the Bellevue College theatre grant, she expressed concern about using the City's funds to support a higher education facility.

Ms. Hoffman said that funding for the grant program is in the preliminary budget. She acknowledged that there was significant discussion about the Bellevue College funding request due to the theatre's ownership. She said the grant award is to the Bellevue College Foundation, which is a nonprofit organization. Through negotiations, Bellevue College agreed to give the foundation long-term site control over Carlson Theatre to allow them to apply for a grant. Councilmember Zahn suggested the City might want to help advocate for additional funding from the state legislature.

Deputy Mayor Malakoutian thanked Chair Aldredge and the Arts Commission for their work and expedited review. He said he believes the program will have a lasting impact on vibrancy and cultural richness in the community. He asked whether the City can ensure that the grant recipients will serve underserved communities.

Ms. Hoffman said that serving underserved populations is one of the evaluation criteria. She said legal and finance staff will address accountability as they develop the contracts.

Mayor Robinson followed up on Councilmember Zahn's comments and suggested that funding for the Bellevue College theatre should be generated through a facilities charge for the college. She asked whether the college will be able to continue to use the theatre for events.

Chair Aldredge said the allocations committee thoroughly discussed the Bellevue College request. She said the college will continue to use the theatre. However, they are appointing a program manager, which they have not had in the past and which has been a huge block in providing community access to the space. She said the theatre will be available for both college events and for rental by organizations from the broader community. She said there is a high demand for performance space in Bellevue and the theatre is an important venue for young people in the community.

Ms. Robinson said the City is in discussions with the Performing Arts Center Eastside (PACE). She asked whether the facility, if completed, would be available to organizations like Tasveer and others. Ms. Hoffman said that different facilities have different purposes within an ecosystem of arts facilities. She noted that the Imagination Theatre's facility is a performing arts rehearsal space. While Carlson Theatre and Meydenbauer Theatre can accommodate performances, they do not have adequate space for groups while the show is in rehearsal and production for several months leading up to the performances.

→ The motion to approve the Arts Commission's funding recommendations carried by a vote of 7-0.

6. Report of the City Manager: None.

7. Council Business and New Initiatives: None.

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 September 10, 2024 Special Meeting

Minutes of September 10, 2024 Regular Meeting

Minutes of September 17, 2024 Regular Meeting

(b) Resolution No. 10421 authorizing execution of all documents necessary to implement settlement of the claim brought by Richard Crinzi in the amount of \$94,175.72.

(c) Resolution No. 10422 authorizing payment of hiring bonuses of up to \$30,000 to new hire lateral police officers and up to \$15,000 to exceptional (BLEA Certified) hires to remain competitive with other jurisdictions in hiring for these hard-to-fill vacancies.

(d) Ordinance No. 6806 amending Chapter 3.79 of the Bellevue City Code to extend the maximum term for a limited term position from three years to five where required by the project or specific need for which the position was created and in the best interests of the City; and establishing an effective date.

At 7:17 p.m., Mayor Robinson declared a short break. The meeting resumed at 7:27 p.m.

9. Public Hearings: None.

10. Study Session

(a) Budget Deliberations: Discussion of the 2025-2026 Operating Budget and the 2025-2030 Capital Improvement Program Plan through the Community Safety & Health, including proposed 2025-2026 Utilities rates, and Safe & Efficient Transportation System Strategic Target Areas.

Acting City Manager Carlson introduced continued staff presentations and discussion regarding the 2025-2026 Operating Budget and the 2025-2030 Capital Improvement Program (CIP) Plan.

Ms. Carlson noted the presentations would cover the Community Safety and Health and the Safe and Efficient Transportation System strategic target areas.

John Resha, Chief Financial Officer, Finance and Asset Management Department, recalled that two public hearings were held on July 9 and September 24, and the final public hearing will be held on November 12. Budget adoption is anticipated on November 19.

Mr. Resha said the Community Safety and Health strategic target area includes the Police Department, Fire Department, and Utilities Department, as well as initiatives involving the City Attorney's Office, City Clerk's Office, City Manager's Office, Finance and Asset Management Department, Information Technology Department, and the Parks and Community Services Department.

Chief of Police Wendell Shirley thanked the Council for approving the police officer recruiting bonuses as part of the consent calendar. He recalled funding in the 2023-2024 budget for body worn cameras, youth engagement, and SPIDR community engagement technology that enables the community to provide feedback to the Police Department. The Bellevue Light Rail Unit (BLU) was also funded during the last budget cycle to patrol the 2 Line and Eastgate Park and Ride facility, and only one incident has occurred since light rail began operating in April.

Chief Shirley said the Council funded 21 new positions during the last budget cycle and is on pace to hire approximately 40 new staff by the end of the year. The 28 current vacancies are being filled by lateral, exceptional and first-time officers, and approximately 400 individuals have applied for commissioned and professional roles in the department. Chief Shirley said the department streamlined its hiring process to expedite hiring and reallocated some of its resources to patrol to better serve the community. He said the average 911 response time is 3 minutes and 37 seconds and overall crime has decreased seven percent from last year.

Chief Shirley recalled that the Council approved the Community Crisis Assistance Team (CCAT) in the last budget. The Police Department partners with the Fire Department and mental health/social workers to assist in situations involving mental health issues. The CCAT responded to 1,200 calls in late 2023 and 2,954 calls so far this year.

New investments in the proposed 2025-2026 budget include a domestic violence advocate to provide support in the approximately 1,200 cases per year and a police captain to manage community events. Chief Shirley said the domestic violence advocate position was previously funded by King County. However, they will no longer provide funding after this year.

Fire Chief Jay Hagen said new investments in the Fire Department include enhanced emergency response outreach, opioid disorder and crisis response, enhanced water rescue response and Fire Station 10. He said a new community outreach specialist position will be responsible for focused engagement and partnership with historically underserved communities to enhance emergency preparedness and disaster recovery. A new position to support community members struggling with a opioid use disorder and related crises has been added to connect and remove barriers to treatment. The position was filled in July and the outreach worker coordinates with both the

CCAT and CARES (Community Advocates for Referral and Education Services) programs. The position is funded for 10 years through an external resource.

Chief Hagen said the preliminary budget includes enhancements to the surface water rescue program by adding jet skis on Lake Washington and Lake Sammamish. He said startup funds for the program were provided through a private donation from the Bacon Family Foundation in partnership with the Bellevue Fire Foundation. The program is expected to launch in April 2025.

Chief Hagen said the preliminary budget funds the completion of Fire Station 10 located in the downtown. Funding for fire facilities was provided through a voter-approved levy in 2016.

Councilmember Zahn asked whether there are other functions that King County will no longer be funding. She asked about cost recovery related to community events. She expressed support for the opioid outreach worker and asked whether there are other needs within the CCAT and CARES programs. She asked whether the 2016 fire facilities levy will be able to fund the targeted projects.

Mayor Robinson suggested that staff add Councilmembers' questions to the memory bank list for future follow-up.

Councilmember Lee said that public safety is his top priority. He is glad the City was able to fund the police light rail unit. However, he suggested working with Sound Transit to encourage them to be responsible for security as well. He thanked staff for their work.

Councilmember Hamilton expressed support for the police hiring bonuses, CCAT and CARES programs, police captain for community events and domestic violence advocate position. He noted he is the Council liaison to the Probation Advisory Board. He expressed support for the completion of Fire Station 10 and noted his interest in hearing about other investments needed within the Fire Department.

Councilmember Nieuwenhuis thanked staff for their work and said he is proud of both the Police Department and Fire Department. He asked about measures that could help to enhance the retention of police officers. Responding to Mr. Nieuwenhuis, Chief Shirley said the police captain for community events will handle permitted protests and rallies as well. Mr. Nieuwenhuis asked whether the School Resource Officer (SRO) program will be resumed with the Bellevue School District. In further response to Mr. Nieuwenhuis, Chief Shirley said the Police Department has 27 officer vacancies.

Mr. Nieuwenhuis asked about water rescue agreements with other municipalities or agencies regarding the use of the jet skis. He expressed concern about the cost of Fire Station 10 and future fire facilities needs.

Councilmember Stokes said he is pleased with how well the Police Department and Fire Department work together and with the public. He expressed support for the police officer recruitment efforts and bonuses. He thanked Chief Shirley and Chief Hagen for their ongoing work.

Deputy Mayor Malakoutian thanked everyone for their work and said he would submit two questions for the memory bank list.

Mayor Robinson thanked the Bacon Family Foundation for their donation for water rescue services. She said she was impressed with the response times for both police and fire personnel, which is key for a high quality of life in Bellevue. She asked about the Police bike patrol unit and future fire facilities costs.

Lucy Liu, Director, Utilities Department, said staff is seeking feedback regarding the proposed 2025-2026 Operating Budget and utility rates and 2025-2030 CIP Plan. Utilities services include water, storm and surface water, wastewater and solid waste. The department's proposed budget supports Council priorities in three strategic target areas: Community Safety and Health, High Quality Built and Natural Environment, and High-Performance Government. Utilities operate as enterprise funds and must be financially self-supporting. Key challenges include external costs beyond the City's control, aging infrastructure and inflationary pressures.

Ms. Liu presented a comparison of Bellevue's residential, multifamily and commercial utility rates with other jurisdictions. She said utility rates are set to fund current and future expenses, including wholesale water costs. The City's financial policies call for predictable and uniform rates and long-range capital investment for future infrastructure needs. Ms. Liu said Bellevue is one of the few cities in the nation with a utilities capital infrastructure renewal and replacement reserve.

The proposed 2025-2026 Operating Budget totals \$432.1 million. For every dollar spent, 49 cents goes to the Cascade Water Alliance, King County wastewater treatment, taxes and City services, 35 cents goes toward infrastructure investments and 16 cents is allocated to local operations. Ms. Liu said the key operating objectives are to maintain existing high-quality services, leverage external funding, expand utility rate relief programs and to engage in a competitive process for the solid waste services contract.

Ms. Liu said the 2025-2026 budget includes approximately \$650,000 in anticipated grants for waste reduction, recycling and composting programs. The City also participates in the Connecting Housing to Infrastructure program that provides grant funding to allow the Utilities Department to waive connection fees for new affordable housing projects. The department has received four grant awards to date totaling approximately \$5 million for affordable housing projects in Bellevue. The department secured grants from the King County Flood Control District totaling nearly \$16 million over the past five years to help pay for infrastructure investments.

Ms. Liu said the proposed 2025-2030 CIP Plan totals \$296 million, with \$230 million allocated to aging infrastructure. Additional investments support capacity for growth, environmental preservation, operational efficiencies and the emergency water supply. Utilities planning documents include the Emergency Water Supply Master Plan adopted in 2023, Lake Washington Wastewater Lake Line Management Plan adopted in 2024, Watershed Management Plan and

Utility System Plans. The Watershed Management Plan is nearly completed and staff will update the system plans over the next two years.

Scott Edwards, Deputy Director, presented the 2025-2030 utility rates forecast, which reflects proposed rate increases of 7.4 percent in 2025 and 6.8 percent in 2026. Wholesale costs increase by 1.5 percent in 2025 and 2.2 percent in 2026. Projected utility rate increases are 7.2 percent in 2027, 7 percent in 2028, 7.5 percent in 2029 and 7.4 percent in 2030. Mr. Edwards said that wholesale costs by the Cascade Water Alliance and King County are a significant rate driver. A 2024 monthly bill of \$222.82 increases to \$239.40 in 2025 and to \$255.71 in 2026.

Mr. Edwards highlighted the City's four rate relief programs. Utility direct and indirect relief provide a 70 percent utility bill discount for homeowners and a 70 percent utility rebate for multifamily residents for low-income seniors and residents with a disability. The emergency assistance program waives up to four months of utility bills for low-income residents experiencing a financial crisis and the Neighbors Helping Neighbors program waives up to two months of utility bills for low-income and past due bill customers. The latter is funded through donations from the community and Bellevue Utilities matches donations up to \$50,000 per year. Nearly 1,000 households take advantage of these programs.

Mr. Edwards said staff will develop a new streamlined rate relief application process in partnership with the University of Washington School of Human Centered Design and Engineering. The City's Information Technology Department will develop a new application portal. Mr. Edwards said anticipated refinements include an evaluation of eligibility requirements. He said staff's goal is to remain competitive regionally while maximizing program participation and public benefit.

Mr. Edwards said the Utilities Department has a robust community engagement program including online information, news releases, community meetings, tabling events, social media campaigns and mailings. Staff participated in approximately 11 events this year to provide information to the public. Updated information can be found at Bellevuewa.gov/budget-rates and Bellevuewa.gov/cip-utilities.

Vanja Knezevic, Chair, Environmental Services Commission, said the commission advises the Council regarding water, sewer, storm and surface water, and solid waste programs in the areas of planning, budgeting, rates, capital financing and overall policies. The commission reviewed the budget in detail over a series of nine meetings and voted to approve its recommendation on September 12. An online CIP open house was conducted in April and a public hearing was held on September 5.

Chair Knezevic said the commission unanimously supports the proposed 2025-2026 Utilities Operating Budget and rates and 2025-2030 Utilities CIP Plan. She said commissioners were sensitive to the impact of rate increases to customers. However, external costs are increasing and beyond the City's control. Ms. Knezevic said the commissioners appreciate the emphasis on long-term financial planning and rate predictability. The proposed rates represent a responsible and lean budget designed to enable the City to continue to provide reliable high-quality services.

Ms. Knezevic said the commission appreciates staff's stewardship of ratepayer dollars, focus on customer impacts and ongoing focus on operational efficiencies.

Councilmember Lee, liaison to the Environmental Services Commission, said he worked closely with the commission in reviewing the proposed budget and utility rates. He thanked Chair Knezevic, commissioners and staff for their diligence and good work. He said Bellevue's Utilities Department is a model for the region and the country. He expressed support for the commission's recommendation and noted the importance of continuing to replace aging infrastructure. He complimented the emphasis on long-term planning and good stewardship of ratepayers' dollars.

Councilmember Hamilton concurred with Mr. Lee's comments and thanked staff for their careful management of utilities. While he would like to see lower rates, he believes the proposed rate increases are necessary to properly maintain utility systems. He thanked the Environmental Services Commission for the recommendation.

Councilmember Stokes said he previously served as liaison to the Environmental Services Commission and on the Cascade Water Alliance Board. He praised staff's management of the utilities and collaboration with other cities through the Cascade Water Alliance. He expressed support for the rate relief programs, noting that it is critical for everyone to have access to clean drinking water and other services. He expressed support for the recommendation.

Councilmember Nieuwenhuis expressed concern that the continued rate increases are not sustainable and that more customers will need rate relief assistance. He said he often hears concerns about utility rates from residents. He said he appreciated staff's work and emphasis on maintaining and replacing infrastructure. He encouraged continued efforts to identify grants to supplement the City's funding.

Councilmember Lee said the King County Wastewater Treatment Division understands that increasing rates are an issue and they continue to work on managing rate fluctuations.

Councilmember Stokes noted the benefit of working with other cities through the Cascade Water Alliance.

Councilmember Zahn expressed appreciation for staff's financial modeling and long-term planning. She expressed support for continuing to engage with the Cascade Water Alliance and King County to manage utility rates and encourage efficiencies. She expressed concern about the projected rate increases, especially given that human services needs are substantially greater than what the City has been able to provide. She suggested reviewing the rate relief eligibility criteria within the broader context of human services needs.

Ms. Zahn encouraged staff to continue to pursue grants. She asked whether more can be done to reduce the amount of solid waste that is generated.

Deputy Mayor Malakoutian thanked Chair Knezevic and the commissioners for their work and recommendation. He thanked Councilmember Lee for his work with the commission. He said he

appreciated his colleagues' compassion regarding the affordability of utility rates for many residents. Mr. Malakoutian asked when the City will be able to transition from spending such a high percentage of the Utilities Department budget to replace aging infrastructure.

Mayor Robinson said she appreciated the rate relief programs. However, she expressed concern that people could lose their housing over utility bills. She wondered whether House Bill 1590 revenues could be used to provide rate relief for residents facing housing instability.

Ms. Robinson expressed concern that King County is replacing aging wastewater treatment facilities with the same types of facilities and technology, rather than exploring new options. She said Denmark converts wastewater into biofuel.

Ms. Robinson referenced state legislation requiring increased housing densities and expressed concern about the impact on utilities infrastructure.

Mayor Robinson thanked Chair Knezevic for presenting the commission's recommendation.

At 8:45 p.m., Mayor Robinson declared a break. The meeting resumed at 8:55 p.m.

Mr. Resha said the Safe and Efficient Transportation System strategic target area calls for transportation that is sustainable, reliable and predictable with mode choices that are abundant, clean and safe.

Andrew Singelakis, Director, Transportation Department, said key operating investments over the past two years include the first Curb Management Plan, multiple substantial grants, managing complex development within the public right-of-way and the advancement of small wireless 5G facility permitting. The Transportation Department received \$17.8 million in grant funding for 2023 and 2024 and is anticipating an additional \$11.5 million later this year. Mr. Singelakis said the state legislature allocated \$6.9 million for Phase 3 of the Mountains to Sound Greenway trail.

Mr. Singelakis commented on the benefit of Transportation Infrastructure Finance and Innovation Act (TIFIA) loans for a number of projects including 120th Avenue NE, Spring Boulevard, 124th Avenue NE and 130th Avenue NE. The 2024 overlay program was moved to the operating budget and completed 28 miles of paving and upgraded ADA curb ramps. Mr. Singelakis said the City will continue to coordinate with Sound Transit as the light rail system continues to expand its operations.

Mr. Singelakis said key operating investments in the 2025-2026 budget include the Transportation Facilities Plan (TFP) update, Mobility Implementation Plan (MIP) update, ongoing Transportation Demand Management program, ADA Transition Plan, curb pricing study, support of regional transit and support of the I-405/Renton to Bellevue express toll lanes project.

Mr. Singelakis expressed his condolences to the families affected by the two fatal collisions that occurred over the previous few days. He said there had been no fatalities this year on Bellevue streets until those two incidents. He said the Vision Zero program was awarded a \$1.4 million

Strengthening Mobility and Revolutionizing Transportation (SMART) grant and a Safe Streets for All grant of \$2.8 million. The Vision Zero action plan also includes the rapid build data-driven program and arterial speed management.

Mr. Singelakis said transportation projects supporting neighborhoods include the Neighborhood Traffic Safety Program, Safe Routes to School program, levy funded Neighborhood Congestion Reduction Program and Neighborhood Sidewalk Program. Programs supporting bike and pedestrian improvements include the bicycle network facilities implementation, pedestrian and bike access connections, and arterial sidewalks program.

Mr. Singelakis noted the substantial restoration of the Transportation Department's maintenance budget after significant reductions due to the COVID pandemic. Investments include three full-time employee positions to support streets and traffic signal maintenance, two new street sweepers and new infrastructure maintenance and operations funding.

Key capital investments include the Grand Connection I-405 crossing, 120th Avenue NE Phase 4 design and right-of-way acquisition and the Spring Boulevard Zone 3 project. Mr. Singelakis said the City received grant funding for the 120th Avenue NE project. The Spring Boulevard Zone 3 project completes the design for a key Spring District to BelRed multimodal missing link and grant funding was received for the design work. Mr. Singelakis said the design will be completed by 2027.

Mr. Resha noted that the Transportation CIP Plan decreases in the out years. He said the Council might want to consider additional revenues in the future.

Councilmember Nieuwenhuis, liaison to the Transportation Commission, thanked staff for the presentation and expressed support for the budget proposal. He expressed his condolences regarding the collision fatalities in recent days. He commented on the importance of the small wireless facility program, I-405 toll lanes, TIFIA loan projects, Vision Zero program and regional partnerships. Mr. Nieuwenhuis said he appreciated the focus on neighborhood transportation projects.

Councilmember Zahn encouraged a continued focus on the Vision Zero action plan and asked whether there is adequate funding to address the impacts of growth. She expressed support for multimodal investments, expanded transit connections and traffic safety cameras. She encouraged continued technology innovations and pilot programs. She expressed support for the ADA improvements and neighborhood sidewalks.

Ms. Zahn said she would like to revisit financial capacity and funding stability for investments to support growth. She acknowledged that staff will continue to seek grant funding. She asked about the possibility of another TIFIA loan, potentially for projects in the Wilburton area. She asked whether there is a need to discuss a transportation benefit district. Referring to the earlier utilities presentation, Ms. Zahn stated her understanding that there are Water Infrastructure Finance and Innovation Act (WIFIA) loans through the federal government as well.

Responding to Councilmember Lee, Mr. Singelakis recalled that the Council adopted the Curb Management Plan last year. The first implementation step will be an analysis of whether paid on-street parking would be feasible in the Downtown and BelRed areas.

Mr. Lee noted that he recently received a briefing regarding a proposal to decrease speed limits, which he thinks is a good idea. He suggested that more stop signs would be effective in slowing down traffic. He said public education regarding driving rules would be beneficial as well. He encouraged exploring new technologies and said he has been advocating for a direct TSA check-in for the airport in downtown Bellevue. He expressed support for more neighborhood sidewalks.

Councilmember Stokes thanked staff for the presentation and noted his interest in reducing speed limits.

Councilmember Hamilton recalled that there have been discussions about the distribution of funds from the Council Contingency reserve. He wondered whether some of that funding would help to complete certain transportation projects. He asked whether the contingency funds could be used to supplement the utilities rate relief programs. He concurred with Councilmember Zahn's interest in discussing a transportation benefit district to address growth.

Deputy Mayor Malakoutian thanked Mr. Singelakis for the presentation. Responding to Mr. Malakoutian, Mr. Singelakis said the design of Spring Boulevard involves a number of environmental factors including wetlands and other permitting.

Mayor Robinson thanked staff for the presentation. She said that hearing about the recent traffic fatalities highlights the importance of the work of the Transportation Department to provide a safe multimodal system. She wondered whether increased lighting would be beneficial in reducing accidents.

Ms. Robinson noted that the November ballot includes Initiative 2066, which would repeal a number of policies aimed at reducing pollution from burning gas and make it easier to transition from gas to electric heating and appliances. She asked whether that would affect the City's budget.

11. Land Use: None.
12. Other Ordinances, Resolutions, and Motions: None.
13. Written Reports
 - (a) Intergovernmental Affairs Monthly Update
14. Unfinished Business: None.
15. New Business: None.
16. Executive Session: None.

17. Adjournment

At 9:27 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

/kaw