

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

October 8, 2018
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Chelminiak, Deputy Mayor Robinson and Councilmembers Lee, Nieuwenhuis, Robertson, Stokes, and Zahn

ABSENT: None.

1. Executive Session

The meeting was called to order at 6:02 p.m., with Mayor Chelminiak presiding. There was no Executive Session.

2. Approval of Agenda

→ Deputy Mayor Robinson moved to approve the agenda, and Councilmember Stokes seconded the motion.

→ The motion carried by a vote of 5-0.¹

3. Oral Communications

- (a) Lola LeBlanc-Ryan, a Bridle Trails resident, said the neighborhood is excited about the new traffic signal at the crosswalk leading to Cherry Crest School, which will be completed through the Neighborhood Enhancement Program (NEP). She noted the involvement of the Bridle Trails Community Club and Loretta Lopez in this effort. She thanked Theresa Cuthill, NEP Coordinator, and Jeremy Chin, Senior Transportation Engineer, for their work with residents. The neighborhood will receive \$40,000 to improve the crosswalk and traffic safety. Ms. LeBlanc-Ryan said this was a great opportunity for everyone, including the students, to learn about civic activism. She said the area will also be getting new play equipment for its park. She thanked Major Andrew Popochock for his support and police presence to address traffic calming and student

¹ Councilmembers Lee and Robertson joined the meeting shortly after the vote.

safety. She thanked the City for investing in neighborhood improvements and for involving residents in project decisions.

- (b) Randy Bannecker, representing the Seattle-King County Realtors, followed up on his email about the business license tax. He thanked Finance Director Toni Call for helping him understand the City's tax code. While not directly applicable to the issue on the evening's agenda, Mr. Bannecker said he wanted to highlight the distinction between a real estate licensee and a designated broker. A licensee cannot practice real estate without a designated broker. He suggested that the broker should be responsible for obtaining the business license for the agency and for the licensees who work in the agency. He said there might be a nexus with the Business and Occupation (B&O) tax, which is currently paid by the designated broker.

4. Study Session

- (a) Council Business and New Initiatives

There was no discussion.

- (b) Remote Participation Request

- Deputy Mayor Robinson moved to allow remote participation by Councilmember Zahn during the October 15, 2018 meeting. Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

- (c) Uniform Model Ordinance for Business Licensing amending the City's Business and Occupation (B&O) Tax and Administrative Tax Code

City Manager Brad Miyake introduced discussion regarding recent changes in state law related to the business tax and licensing uniform model ordinance that was adopted in 2008 and updated in 2012. State legislation approved in 2017 requires a limited update to the ordinance.

Finance Director Toni Call recalled that, in 2008, the State mandated that every city requiring a business license must adopt the model ordinance. The purpose was to provide greater consistency in business licensing across jurisdictions. The ordinance was updated in 2012 due to changes in state law. In 2017, in response to concerns from owners of small businesses, the State passed legislation requiring a limited update to the model ordinance. The update established a minimum revenue threshold of \$2,000 for requiring a business license and clarified the definition of engaging in business.

The City is required to adopt the provisions by January 1, 2019. Ms. Call said there is no increase in business license fees. The impact to the City is small, and 10-15 businesses will no longer file for a business license, resulting in lost revenues of approximately \$1,500.

Ms. Call requested direction to staff to update the model ordinance for future Council action.

Councilmember Lee said he appreciated that the economic impact to the City is minimal.

Responding to Deputy Mayor Robinson, Ms. Call confirmed that the City will share the information with the appropriate staff and with local small businesses.

Councilmember Robertson thanked staff for their work. She expressed support for not requiring business licenses for smaller businesses. Referring to Mr. Bannecker's comments during oral communications, Ms. Robertson suggested discussing that issue when the B&O tax code is updated next year.

(d) Discussion of draft Resolution Authorizing the Use of Digital and Electronic Signatures in the City of Bellevue

City Manager Miyake introduced discussion regarding a draft resolution authorizing the use of digital and electronic signatures by the City of Bellevue.

Matt McFarland, Assistant City Attorney, said the state legislature authorized and encouraged the use of electronic signatures for government business in 1997 as part of the Electronic Authentication Act. The legislature requires that the use of electronic signatures must be established by ordinance, resolution, policy, or rule. He noted the draft resolution included in the meeting packet, which authorizes the increased use of electronic signatures for City business and facilitates the City's increased use of electronic records, where appropriate and allowed by law. The benefits of using electronic signatures are increased efficiency and security, accessibility for all Bellevue citizens, accessibility for successor City employees, and the optimization of the City's investments in digital technology.

Jake Hesselgesser, Building Supervisor, said the benefits of electronic signatures for the Development Services Department (DSD) include support for the goal of 100 percent paperless permitting and a reduction in the number of steps in the permitting process. Access to digital documents is quicker than traditional methods, and permit records and public information are provided with optical character recognition. OCR technology allows the document content to be easily translated with the use of a screen reader for individuals who are visually impaired. The environmental benefits include reduced printing and storage costs. Mr. Hesselgesser noted examples of the types of documents that could use electronic signatures including development codes and standards, code interpretations and procedures, and land use staff reports.

Mr. McFarland said that individual departments will work with Information Technology Department staff and the City Attorney's Office to determine which documents and transactions are appropriate for electronic signatures. An electronic signature can be any electronic sound, symbol or process adopted by the person with the intent to sign the record. A digital signature is one type of electronic signature that has a digital certificate behind it to ensure authentication when sending an electronic document. Digital signatures encrypt the signature to the document and essentially have a built-in notarization.

The draft resolution provides the method and process to be employed for the use of digital signatures to conduct City business. The resolution provides that the City Manager, or designee, may approve the use of electronic signatures if the process ensures security, authentication, integrity, and non-repudiation of the electronic communication. Mr. McFarland requested Council direction to bring forward a resolution authorizing the use of digital and electronic signatures for City business.

Councilmember Nieuwenhuis thanked staff for the presentation and questioned which documents might be excluded as candidates for electronic signatures. Mr. McFarland said the exceptions would include real property documents recorded with King County, and could include voluntary correction agreements with parties involved in a City code enforcement action. He said there is a range of documents within the bidding and procurement process that would need review and a clear policy regarding the use of electronic signatures.

Councilmember Lee expressed support for the proposal as well as an interest in the costs, security, and potential fraud. He would like to know and discuss the practical implications in implementing the policy.

Councilmember Robertson expressed support for allowing electronic and digital signatures, noting that it is convenient for staff and provides better customer service for the public.

Ms. Robertson asked whether both City employees and permit applicants would be able to use digital signatures. Mr. McFarland said that, due to the protection inherent in a digital signature, the resolution broadly authorizes the use of digital signatures for City business. He said a review of the types of documents will determine which of those are appropriate for digital or electronic signatures. Mr. McFarland said the resolution provides broad authorization for digital signatures by City employees. However, individual departments will determine the appropriateness of electronic signatures for their documents.

Councilmember Robertson expressed caution regarding the potential for fraud by electronically transferring seals from other approved building and development plans. She suggested that, if the permit applicant is someone different than the engineer and the documents do not come directly from the person signing them, there should be some type of sworn statement verifying the signature. She said it is also important to ensure that documents signed by City employees are not subject to fraudulent manipulation.

Responding to Councilmember Zahn, Mr. McFarland said a number of products facilitate digital signatures including Bluebeam Revu Extreme, which has already been used by the City where appropriate, and DocuSign. Mr. Hesselgesser said the Bluebeam technology has been used by the Development Services Department, Transportation Department, Utilities Department, and Fire Department. In further response to Ms. Zahn, Mr. McFarland said that potentially an entire record for an action or project could be an electronic record, which would save on storage costs.

Councilmember Stokes said he appreciated staff's work and supports the proposal from a policy standpoint. He noted that it is staff's job to implement the process, and he is ready to direct staff to bring a resolution back for formal Council action.

(e) Introduction of new Emergency Assistance Program in the Utilities Rate Relief Program

Mr. Miyake introduced discussion regarding proposed updates to the Utilities Rate Relief Program, which provides rate discounts to disabled individuals and qualified low-income senior adults. The program was initiated in 1980 and currently serves approximately 1,100 residents.

Nav Ota, Utilities Department Director, noted the three existing low-income programs: 1) rate relief program for individuals who are disabled, 62 years or older, or using home kidney dialysis, which is funded by utility rates, 2) tax relief program with no age or disability requirements, funded by the General Fund, and 3) the solid waste rate relief program for individuals who are disabled, 62 years or older, or using home kidney dialysis. The latter is funded by solid waste utility rates and is administered by Republic Services.

The Utilities Rate Relief Program served 1,122 customers in 2017 and charges are discounted by 40 percent or 75 percent. A majority of the customers receiving discounts are 70 years old and above, and 20 percent are persons with disabilities. The typical household has one or two individuals with an income below \$30,000 and receives a 75 percent discount.

Ms. Ota said customer outreach regarding the relief programs includes articles in *It's Your City* newspaper and the Park's Connection booklet, a listing with the King County Crisis Clinic, messages in utility bills and newsletter, City website, workshops at City Hall and senior apartment complexes, direct mail to previous participants, and City staff referrals. She compared Bellevue's program to neighboring cities, noting that Bellevue and Issaquah provide the highest discount of 75 percent.

The proposed program changes streamline the current program by applying a uniform discount of 70 percent and requiring a review of a household's qualifications every two years. For a household currently receiving a 75 percent discount and paying \$32 of a \$125 utility bill, the customer's payment would increase by \$7 to \$39 monthly with the 70 percent discount. Households currently receiving a 40 percent discount will experience lower bills.

Staff proposes a new Emergency Assistance Program to avoid utility service disconnections for individuals experiencing a temporary financial crisis. There are no age or disability requirements, relief is available for up to four months, and households are eligible every three years. The program is funded through savings resulting from the proposed program changes noted above.

Ms. Ota noted that code changes would be needed to implement the program changes, update the income benchmark, and align the income review period. She requested Council direction to modify the Utilities Rate Relief Program as recommended to: 1) implement a uniform discount of 70 percent, 2) conduct qualification reviews every two years, and 3) introduce the new Emergency Assistance Program. She noted that the Environmental Services Commission supports the recommended changes.

Councilmember Nieuwenhuis expressed support for the emergency program to provide significant relief for ratepayers in need. He asked whether it is possible to develop an online

application for the rate relief programs. Aleksandra Gancheva, Business Service Manager, said staff has been looking for ways to enhance efficiencies through technology solutions.

Councilmember Nieuwenhuis suggested that the City consider providing the opportunity for all customers to add a donation to the rate relief program with their regular payments. Ms. Otal said staff will look into that concept. Ms. Gancheva said staff will review the Emergency Assistance Program after one year to consider additional enhancements. She said the program is estimated to serve approximately 150 customers.

Councilmember Stokes expressed support for the idea to provide the opportunity for voluntary contributions to the programs. He thanked staff for the report and proposed changes. Responding to Mr. Stokes, Ms. Otal said the current program reaches approximately 20 percent of potential senior and disabled customers, based on census data. If expanded to all low-income households, approximately 10,000 customers would qualify, resulting in an estimated program cost of \$10 million annually. Ms. Otal said a low-income household is one with an income below 50 percent of the area median income (\$32,000).

Deputy Mayor Robinson observed that the need for utilities discounts underscores the need for energy efficient construction in affordable housing. She said the ability to pay utility bills is often the first indicator that an individual or household is at risk of becoming homeless. Responding to Ms. Robinson, Ms. Otal confirmed that the City currently refers customers to social services as well. Ms. Gancheva said Utilities staff partners with the Human Services Commission to study and address the community's needs.

Councilmember Robertson expressed support for the proposed changes. Responding to Ms. Robertson, Ms. Otal said staff recommends a 100 percent discount for up to four months for the households in the proposed Emergency Assistance Program. In further response, Ms. Otal said that typically a lien on a property for unpaid bills is applied only if there is no longer service to a residence. Otherwise, the first step is disconnecting one's service. Ms. Otal confirmed that the door hangers used to notify customers about a termination of service provides information about the rate relief program and the option to receive that information in other languages. In further response, Ms. Otal said a customer in the traditional rate relief program could not also qualify for the Emergency Assistance Program.

Ms. Robertson suggested that the program application include a statement of the individual's obligation to inform the City of any change in their income. She requested a review of the code to determine whether such a requirement should be added.

Councilmember Lee expressed support for the program changes. Responding to Mr. Lee, Ms. Otal said residents are currently required to undergo a review of their eligibility every year. In further response, Ms. Otal said staff estimates that approximately 150 households will participate in the Emergency Assistance Program, based on the number of service disconnections. The first year of the program will better demonstrate the overall need within the community. Ms. Otal said that providing utilities at no cost for four months gives a program participant time to identify additional resources beyond that time period, if needed. In further response to Mr. Lee, Ms. Otal noted that the proposed discount of 70 percent is higher than the 50 percent and lower discounts provided by neighboring jurisdictions.

Councilmember Zahn observed that the potential pool of customers needing utilities rate relief is likely to increase with the aging population. She expressed support for providing an option for all customers to donate to the rate relief fund. Ms. Zahn said she appreciates the proposal to cover four months of utility bills for customers in the Emergency Assistance Program, especially given the results of the Human Services Needs Update.

Mayor Chelminiak expressed support for staff's recommendation. Responding to Mr. Chelminiak, Ms. Gancheva said customers can notify the City if they are unable to pay a bill, before their service is disconnected, to determine whether they qualify for rate relief. Mr. Chelminiak said the prevention of homelessness involves a number of tools including rent vouchers, utilities assistance, and the identification of other issues (e.g., substance abuse, domestic violence, etc.). He suggested that staff work with the Human Services Commission to begin to categorize the City's efforts in the area of homelessness prevention. Mayor Chelminiak encouraged the proactive identification of problems and communications with residents when warning signs are evident.

Ms. Ota noted that the related code changes will come back by the end of the year to implement the discussed changes with an effective date of January 1, 2019.

(f) Cultural and Economic Vitality Office Third Quarter 2018 Update

City Manager Miyake introduced the third quarter update by the Cultural and Economic Vitality Office.

Jesse Canedo, Interim Director, Cultural and Economic Vitality Office, recalled the Council's adoption of the Economic Development Plan in 2014. He summarized the third quarter performance including 22 new leads, four new prospects, three business retention and expansion visits, and nine cases of technical assistance. He noted that Amazon will take over the Expedia building in 2020, adding approximately 2,500 Amazon jobs in Downtown Bellevue. City staff completed the TechHire strategy in August in partnership with OneRedmond.

Mr. Canedo said Brad Jones is the new Executive Director for Visit Bellevue Washington, and Brian McGowan is the new CEO of Greater Seattle Partners. The latter organization is the result of a merger of the former Economic Development Council of King County and the Trade Development Alliance.

The Innovation Triangle is becoming the nation's second Silicon Valley and competes well with other creative and innovation hubs in the country. In 2018, the Innovation Triangle updated its business attraction and retention informational and marketing materials, website, and relocation guide.

The Startup425 program supports entrepreneurs and first-time business owners in Bellevue, Issaquah, Kirkland, Redmond, and Renton. Services include workshops, mentoring, web resources, and specialized programs such as Global Passport, which is focused on exports for mobile technology startups.

Mr. Canedo said the Startup425 program has grown significantly. The program scheduled 52 workshops at King County Library System branches in 2019, and 82 percent of the attendees to date reported that the workshops were extremely or very helpful. Mr. Canedo said the City has improved its outreach to the Eastside's small business community. The Startup425 program had 443 registrants in 2017, and staff anticipates doubling that number in 2018. In 2017, 60 percent of the registrants identified as a person of color, and 62 percent identified as female. Approximately 30 percent of the attendees earn less than \$50,000 per year, and there has been a 78 percent increase in web traffic as of the second quarter 2018.

Bellevue partners with OneRedmond and Washington State University to provide the Small Business Development Center (SBDC) advisor for mentoring small businesses. Over the past two years, the program served 169 clients, including 82 technology business clients. The SBDC office helped raise \$6.7 million in capital for companies trying to grow, helped produce \$5.2 million in new sales, and helped to create 75 new jobs on the Eastside.

Mr. Canedo said the next steps are to continue to enhance operations for the Innovation Triangle and the Startup425 program, develop a strategic plan for Startup425, align performance-based contracts with Greater Seattle Partners' new scope, and work with Visit Bellevue Washington to implement the Destination Development Plan.

Deputy Mayor Robinson thanked staff for including the TechHire information in the meeting packet. She noted that federal funding is available for an apprenticeship program and encouraged the City to explore the potential for working with Bellevue College and other community partners to provide education assistance for coding skills.

Councilmember Lee expressed support for the Startup425 program and noted that he was formerly the regional administrator for the U.S. Small Business Administration. He requested information regarding the assistance provided to small businesses. He thanked staff for their work and commented that economic development overlaps many planning efforts by the City and community.

Councilmember Nieuwenhuis thanked staff for the presentation. Responding to Mr. Nieuwenhuis, Mr. Canedo said the website experienced approximately 14,000 individual users for the first half of 2018. In further response, Mr. Canedo said the City's support of businesses includes ensuring access to commute options and providing access to community leaders. He said many companies express an interest in local transportation access to amenities and services.

Councilmember Zahn expressed support for the workshops and encouraged an enhanced emphasis on mentoring and providing a diverse group of mentors. She asked how many businesses are local and how many business owners live in Bellevue. Mr. Canedo said he would follow up with that information. Responding to Ms. Zahn, Mr. Canedo said Bellevue College is part of the TechHire group. He said the City works with the University of Washington-Bothell's livable city program as well.

Responding to Councilmember Zahn, Mr. Cummins said the City's arts program staff provides separate updates on their activities. Ms. Zahn noted that the cost of living in Bellevue is challenging for artists and arts organizations.

Councilmember Stokes thanked staff for the information on the TechHire strategy. He acknowledged the importance of approaching economic development as encompassing many aspects of a community. He said Bellevue is well positioned as a regional leader, and James Henderson's new role with Greater Seattle Partners is good for Bellevue as well.

Responding to Mayor Chelminiak, Mr. Canedo said the memorandum of understanding (MOU) related to the Innovation Triangle will be presented to the Council before the end of the year. Mayor Chelminiak expressed support for the Innovation Triangle and noted that the total population of Bellevue, Kirkland, and Redmond would make the partnership the second largest city in the state.

Mayor Chelminiak commended the Bellwether event held in September and said it brought many people into Bellevue. He noted that it demonstrates the nexus of the arts and economic development.

(g) Communications Award and New Residents Guide

Brad Harwood, Acting Chief Communications Officer, announced that the City received the Award for Excellence from the City County Communications Marketing Association (3CMA) for its Citywide Annual Report. He thanked Information Technology and graphics staff for their work on the publication.

Mr. Harwood described the Newcomers Guide recently created as a resource for identifying key services and information about Bellevue. The guide is available in print and online, and the information is provided in Chinese, Korean, Russian, Spanish, and Vietnamese. He thanked Claude Iosso, Digital Communications Coordinator; Michael May, Utilities Department Public Information Officer; and Information Technology and graphics staff for their work on the project.

The City was informed today that it received a Community Awareness award from the National Association of Telecommunications Officers and Advisors (NATOA) for the "BelRed Transformation" video. Bellevue TV received an honorable mention in the Programming Excellence category as well. Mr. Harwood congratulated Robin Steel, Bellevue TV Manager, and her staff for their hard work.

Deputy Mayor Robinson thanked staff for their work and for the Newcomers Guide. She suggested including a reference in the guide to the City's Cultural Navigator program.

Responding to Councilmember Zahn, Mr. Harwood said the Newcomers Guide is provided in the most commonly used languages in Bellevue.

Councilmember Nieuwenhuis congratulated staff on the awards and the publications, noting that it would be good to have periodic and/or seasonal updates to the online version of the Newcomers Guide.

Councilmember Robertson said she is proud of staff for receiving the awards. For the next printing of the Newcomers Guide, she suggested including information regarding local hospitals, transit, and the rules of the road. She commended staff for the Bellevue By the Numbers resource as well.

Councilmember Stokes concurred with his colleagues' appreciation for the publications and awards.

Mayor Chelminiak congratulated staff on the awards. He complimented the Newcomers Guide and concurred with Ms. Robertson that transit information would be helpful for new residents. He suggested providing links to other resources from the online version of the guide (e.g., driver's license offices, international driving schools, public health agencies, etc.).

5. Council Discussion of Upcoming Items: None.
6. Continued Oral Communications: None.

At 8:14 p.m., Mayor Chelminiak declared the meeting adjourned.

Kyle Stannert, CMC
City Clerk

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