

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

December 3, 2018
8:00 PM

Council Chamber
Bellevue, Washington

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

ABSENT: None.

1. Call to Order

Mayor Chelminiak called the meeting to order at 8:09 p.m.

2. Roll Call, Flag Salute

All Councilmembers were present. Mayor Chelminiak led the flag salute.

3. Approval of Agenda

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

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

4. Communications: Written and Oral

- (a) Tzachi Litov, an Eastgate resident, expressed concern regarding the misuse of affordable housing units as rentals by owners at the McKee Condominiums in Bellevue. He said two state employees purchased a unit in 2009 while they also owned a home in Olympia. He said he was alarmed that A Regional Coalition for Housing (ARCH) is staffed by City of Bellevue employees. He said the City of Bothell is temporarily withholding its funding to ARCH until the matter is further investigated. He asked whether ARCH has an auditing process.

- (b) Brian Ugai and Jessica Cassidy, recent graduates of the Bellevue Essentials program, distributed copies of the updated volunteer opportunities guide prepared by the recent group of graduates. The guide is available online, and hard copies are available at City Hall, Mini City Hall, and through the Bellevue School District. Mr. Ugai said there is a bimonthly newsletter for alumni of the program. He noted that alumni participate in networking events and community service projects.
- (c) Karen Morris expressed concern regarding the misuse of affordable housing units at the McKee Condominiums. She said it was disturbing to learn that a resident had filed complaints that were ignored until she went to the media. She urged the Council to ensure that there will be a thorough review of ARCH. She said she found ARCH's response to this issue disappointing. Ms. Morris submitted her comments in writing.
- (d) Chris Johnson, Bellevue Chamber of Commerce, commented on economic development, noting that the Chamber is always looking for opportunities to attract and retain talent in a tight labor market. He expressed support for transportation projects and for the rapid deployment of 5G small cell technology.
- (e) Clark Harris, T-Mobile, said the company has more than 6,000 employees at their headquarters office in the Factoria area, and they will be reinvesting in improvements to that campus. He spoke to the benefits of 5G wireless technology. He thanked City staff for their work with T-Mobile.
- (f) Ken Lyons, AT&T, thanked the Council and the Chamber of Commerce for their interest in 5G technology. He noted the benefits of innovative technology for economic development and public safety. He said AT&T is close to finalizing the master license agreement. He thanked City staff for their extensive efforts. He requested the Council's support of 5G technology and suggested that the Land Use Code needs to be updated to better reflect current wireless technology.
- (g) Lara Litov said she appreciates what the City is doing in the area of affordable housing. However, she expressed concern regarding the misuse of affordable housing units at the McKee building in Bellevue. She wondered how many other affordable housing units in the region are being misused. She urged a full investigation.

Mayor Chelminiak asked the City Manager to provide an update early next year regarding the ARCH situation involving the McKee Condominiums. Mr. Chelminiak stated his understanding that three units were being misused. He requested information regarding the complaints that were reportedly ignored and the City's plan for the recovery of funds.

Councilmember Robertson thanked the representatives of wireless service providers for coming to provide public comment before the Council. She said the deployment of technology is important for the implementation of the Smart City initiative.

Mayor Chelminiak said the City sent a letter in support of the Sprint merger to the Federal Communications Commission (FCC). He is pleased with T-Mobile's decision to keep its headquarters in Bellevue and to renovate the campus.

Deputy Mayor Robinson asked staff to provide information for the update on ARCH regarding the difference in rental versus purchase affordable housing units.

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

6. Report of the City Manager

 (a) 2018 Bellevue Essentials Program

City Manager Brad Miyake noted that the most recent class of Bellevue Essentials participants graduated the previous week.

Julie Ellenhorn, Community Relations Coordinator, provided the annual update on the Bellevue Essentials program. The recent graduates are the sixth group of emerging leaders to participate in the program, which is a combination of lectures, tours, and hands-on activities. The classes provide information regarding the City's departments and services and encourage individuals to become involved in their community and local government.

Ms. Ellenhorn said the fourth group of City employees who participated in the Bellevue Essentials program recently graduated as well. She noted that 201 residents and 170 employees have completed the series of classes and activities. She said the class demographics are reflective of Bellevue's diversity. She said that 33 graduates of the program have served on the City's Boards, Commissions, and other committees and planning efforts. Ms. Ellenhorn noted that Councilmember Nieuwenhuis is a graduate of the Bellevue Essentials program.

MaryAlice Yahyavi, a recent graduate, said she had been looking for a way to learn more about the community and local government, and the Bellevue Essentials program was the perfect solution. She noted the benefits of meeting people and of learning from City staff and Councilmembers. She thanked the City for offering this course to its residents and employees.

Jim Bernardo shared comments from other program participants. He said Bellevue is a microcosm of the world, and he was glad to have met people from all walks of life in the class. He said the class enhanced his sense of Bellevue as his home. He became interested in the program after his partner completed the class last year. Mr. Bernardo said he has lived in 10 states and the District of Columbia and, with the exception of New York City, he has never lived in a community that is so diverse. He thanked the City for providing the program.

Ms. Ellenhorn thanked the Council for its continued support of the program.

Mayor Chelminiak said the graduation ceremony was a great event. He is proud of the work of residents and City staff. He encouraged the graduates to continue to be active in their community. He thanked Ms. Ellenhorn for her coordination of the program.

Councilmember Zahn said she completed the Bellevue Essentials program. She is pleased with Bellevue's leadership in offering the classes and reaching out to residents. She said she has heard comments from participants in the program that it inspired them to volunteer and/or to work in public service.

Councilmember Nieuwenhuis, also a Bellevue Essentials graduate, complimented staff for the work. He said the program is a positive example of citizen engagement.

7. Council Business and New Initiatives

Mayor Chelminiak commented on the passing of former President George H.W. Bush and noted that the City Hall flag is at half staff. He said President Bush modeled what it is to be a patriot and an effective public servant.

Councilmember Lee said the key role of the Bellevue Essentials program is to encourage an interest in community activism and public service. He noted that President Bush was a great patriot who served the public for 72 of his 94 years. He said President Bush is remembered for his kindness, humility, integrity, and devotion to his family.

Councilmember Robertson thanked Mayor Chelminiak and Councilmember Lee for their comments regarding President Bush.

Ms. Robertson recalled the Council's discussion regarding the Bellevue Nursery Comprehensive Plan Amendment (CPA) application on November 26. She has been looking at possible options, and she informed the owners that she will be bringing a proposal forward for the Council's consideration.

8. Consent Calendar

→ Councilmember Stokes moved to approve the Consent Calendar, and Deputy Mayor Robinson 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 November 13, Extended Study Session

Minutes of November 19, Study Session

Minutes of November 19, Regular Session

(b) Resolution No. 9496 authorizing execution of a General Services contract with Total Landscape Corporation. The contract is for an initial two-year term in an amount not to exceed \$136,574.72, plus all applicable taxes. This includes \$12,000 in contingency funds with an option to renew for an additional two years in an amount not to exceed \$136,574.72 plus any State-mandated prevailing wage

increase and/or City-approved special or unanticipated market condition that does not exceed the Consumer Price Index (CPI-U, Seattle-Tacoma-Bellevue) for the most recently completed calendar year.

- (c) Resolution No. 9497 authorizing execution of a General Services contract with Signature Landscape. The contract is for an initial two-year term in an amount not to exceed \$191,139.86, plus all applicable taxes. This includes \$15,500.00 in contingency funds with an option to renew for an additional two years in an amount not to exceed \$191,139.86 plus any State-mandated prevailing wage increase and/or City-approved special or unanticipated market condition that does not exceed the Consumer Price Index (CPI-U, Seattle-Tacoma-Bellevue) for the most recently completed calendar year.
- (d) Resolution No. 9498 authorizing execution of a General Services contract with Landscapes Inc. The contract is for an initial two-year term in an amount not to exceed \$65,055.74, plus all applicable taxes. This includes \$5,500 in contingency funds with an option to renew for an additional two years in an amount not to exceed \$65,055.74 plus any State-mandated prevailing wage increase and/or City-approved special or unanticipated market condition that does not exceed the Consumer Price Index (CPI-U, Seattle-Tacoma-Bellevue) for the most recently completed calendar year.
- (e) Ordinance No. 6436 amending the Bellevue City Code to create the Finance and Asset Management Department; adding new Chapter 3.32 to the Bellevue City Code; repealing Chapters 3.36 and 3.37; and authorizing the City Clerk to make all additional necessary changes to the Bellevue City Code to reflect this reorganization.

9. Public Hearings: None.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions

Mayor Chelminiak noted that the Council would take a series of actions as part of the approval of the operating and capital budgets.

Finance Director Toni Call highlighted the series of Council discussions regarding the 2019-2020 Budget and the 2019-2025 Capital Investment Program (CIP) Plan, which total \$1.7 billion. She noted that much of the funding is restricted to specific purposes (e.g., utilities), while the General Fund supports the majority of the City's programs and services. The budget advances the Council's priorities in the areas of transportation mobility, high-quality built and natural environment, affordable housing, Downtown Park Northeast Gateway, Environmental Services Initiative (ESI), Grand Connection, and the Bellevue College Connection transit project.

The General Fund forecast anticipates that expenditures will exceed revenues beginning in 2021, and the ending fund balance could dip below the 15-percent Council policy threshold by 2023. New budget impacts include funding the LEOFF I (Law Enforcement Officer Fire Fighter) pension obligation, Fire Station 10 staffing, the loss of the sales tax and annexation credit dollars in 2022, as well as the demands and challenges related to growth.

Ms. Call said the budget takes good first steps toward establishing a sustainable budget. The City will continue to pursue health care costs strategies. The budget proposes a one-percent property tax in 2019 and a one-percent property tax in 2020, which equates to approximately \$10 annually for a median household in Bellevue. Ms. Call noted that a fire inspection fee beginning in 2020 will cover the direct costs of fire inspections.

Mayor Chelminiak asked Fire Chief Jay Hagen to provide additional details regarding Fire Station 10 and about issues raised related to fire safety at the seasonal men's homeless shelter.

Chief Hagen recalled that the fire facilities levy was approved in 2015, and the Council has supported the addition of two fire prevention officers to maintain the fire inspection workload. Fire Station 10 will be located at the northwest corner of 112th Avenue NE and NE 12th Street, and will be completed and staffed by the first quarter of 2022. Chief Hagen noted that the downtown station is needed to address growth, including the increase in the number of high-rise buildings.

Referring to past comments from the public and Council regarding the Lincoln Center men's homeless shelter, Chief Hagen said that individual residences have carpet, furniture, electronics, and other materials that fuel a fire. However, those elements are not present in the sleeping area of the shelter. Chief Hagen said life safety is the Fire Department's top priority, and it is important to ensure that occupants are alerted to smoke and fire and are able to exit safely and quickly. He noted the importance of functional smoke detectors and an exiting plan.

Chief Hagen said the average response time to the shelter over the past year was five minutes and 25 seconds. He said the shelter complies with the Fire Code and is authorized to operate from November 1, 2018 through April 30, 2019. The structure, location of the shelter within the structure, and the shelter's operations were carefully evaluated as required by Washington Administrative Code (WAC) 51.16.030. The use was authorized with specific conditions designed to ensure the safety of the occupants, and the shelter is routinely inspected by Fire Department or Building Division staff. The shelter and adjacent spaces have two emergency at-grade exits, smoke alarms, emergency lighting for exiting, fire extinguishers, 24-hour adult supervision, and occupancy limits.

- (a) Ordinance No. 6437 adopting the Human Services Commission's 2019-2020 Human Services funding recommendations, and authorizing the City Manager or his designee to enter into contracts with local human services agencies in accordance with the recommendations.

Mayor Chelminiak suggested moving forward with Council action on the budget-related legislation.

- Deputy Mayor Robinson moved to adopt Ordinance No. 6437, and Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.
 - (b) Ordinance No. 6438: 1) adopting recommendations for the use of 2019 Community Development Block Grant funds as transmitted by the Human Services Commission; 2) authorizing the City Manager or his designee to submit a proposal to the United States Department of Housing and Urban Development (HUD) for the 2019 CDBG Program; 3) authorizing the City Manager or his designee to accept a grant award contract with HUD; 4) creating a new project series within the Operating Grants and Donations Fund; and 5) authorizing the City Manager or his designee to enter into agreements with grant subrecipients.
- Deputy Mayor Robinson moved to adopt Ordinance No. 6438, and Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.
 - (c) Ordinance No. 6439 regarding development services under the Bellevue City Code; fees for applications requiring construction, land use, fire, survey, sign, transportation, utility, and clearing & grading review and inspection services; repealing Ordinance No. 6387.

Mayor Chelminiak noted that the Development Services fee adjustments average 3.6 percent.

- Deputy Mayor Robinson moved to adopt Ordinance No. 6439, and Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.
 - (d) Ordinance No. 6440 establishing revised charges for water service, water consumption, and water standby capacity; repealing Ordinance No. 6329; providing for severability; and establishing an effective date.

Mayor Chelminiak said the next three ordinances relate to utilities. He noted that utilities rates increase by approximately four percent in 2019 and 3.8 percent in 2020.

- Deputy Mayor Robinson moved to adopt Ordinance No. 6440, and Councilmember Stokes seconded the motion.

Councilmember Lee referenced the letter from David Plummer expressing concerns regarding the Advanced Metering Infrastructure (AMI) project and asking about independent auditing of the City's utilities. Mr. Lee said he would like to discuss the issues raised in Mr. Plummer's letter in the future.

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

- (e) Ordinance No. 6441 establishing revised sewerage service charges; repealing Ordinance No. 6330; providing for severability; and establishing an effective date.

→ Deputy Mayor Robinson moved to adopt Ordinance No. 6441, and Councilmember Stokes seconded the motion.

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

- (f) Ordinance No. 6442 establishing revised storm and surface water drainage rates and charges for the Storm & Surface Water Utility of the City of Bellevue; repealing Ordinance No. 6331; providing for severability; and establishing an effective date.

→ Deputy Mayor Robinson moved to adopt Ordinance No. 6442, and Councilmember Stokes seconded the motion.

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

- (g) Ordinance No. 6443 amending the Bellevue City Code to add new sections to BCC 23.11.113 related to fire inspection fees; and establishing an effective date.

Mayor Chelminiak noted that Ordinance No. 6443 implements the fire inspection fee beginning in 2020. He recalled that the Council raised a question the previous week regarding the nexus between the fee and the time required for an inspection.

Chief Hagen said the Fire Department will begin tracking the time spent on inspections on January 1 and will work with the public through 2019 to prepare them for the fee. Staff will report the results to the Council in the fall of 2019.

→ Deputy Mayor Robinson moved to adopt Ordinance No. 6443, and Councilmember Stokes seconded the motion.

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

- (h) Ordinance No. 6444 establishing the amount of property taxes to be levied for the year 2019, the first year of the City of Bellevue's 2019-2020 fiscal biennium.

→ Deputy Mayor Robinson moved to adopt Ordinance No. 6444, and Councilmember Stokes seconded the motion.

Councilmember Lee noted his longtime concern regarding the property tax, which he feels should be used only as a last resort. He said the population is aging, and the largest investment for many residents is their home. While the impact will be only \$10 or less annually for a

median-priced home in Bellevue, he would like to consider alternative revenue sources. He expressed concern that 20 percent of the population will be 65 years or above in the near future. Mr. Lee said he would not support the property tax increase.

Councilmember Nieuwenhuis said he appreciated Councilmember Lee's comments and concern regarding the property tax. However, Mr. Nieuwenhuis said he is in favor of the one-percent property tax increase and believes that it is justified.

Councilmember Zahn noted the \$9.1 million in banked levy capacity that exists because, in many years, the City has not adopted the one-percent annual property tax increase allowed under state law. She expressed support for the tax and noted the need for projects and the maintenance of existing infrastructure.

Councilmember Stokes concurred with Ms. Zahn. He said the Council has had many discussions about the budget. Mr. Stokes said the budget is well crafted, and the property tax is fiscally responsible with a minimal impact on homeowners.

Councilmember Robertson noted that property taxes do not automatically increase with inflation. She believes the proposed tax increase is appropriate and prudent. While she was opposed to a property tax increase during the recession, the economy is now strong and funding is needed to keep pace with inflation. Ms. Robertson said it is important to retain adequate reserves to maintain service levels.

Mayor Chelminiak expressed support for the property tax and noted the critical services provided by the City including parks and public safety. He said the tax increase equates to approximately 80 cents per month for the average homeowner in Bellevue. He thanked Councilmember Lee for his comments.

Mr. Chelminiak said the City builds its reserves when the economy is strong. However, additional funding is needed for a number of investments that are important to the community.

→ The motion carried by a vote of 6-1, with Councilmember Lee dissenting.

- (i) Resolution No. 9499 providing for the banking of levy capacity pursuant to RCW 84.55.005; 84.55.0101 and 84.55.092.

Mayor Chelminiak noted that the banked levy capacity of \$9.1 million reflects the many years that the City did not implement the annual one-percent property tax increase allowed by state law.

→ Deputy Mayor Robinson moved to approve Resolution No. 9499, and Councilmember Stokes seconded the motion.

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

- (j) Ordinance No. 6445 adopting the City of Bellevue's 2019-2020 Budget and 2019-2025 Capital Investment Program Plan; setting forth the estimated revenues and appropriations; establishing job classifications and pay ranges; and establishing an effective date.

→ Deputy Mayor Robinson moved to adopt Ordinance No. 6445, and Councilmember Robertson seconded the motion.

Councilmember Nieuwenhuis thanked Finance Director Toni Call and City staff for their hard work. He thanked Mayor Chelminiak and Deputy Mayor Robinson for helping the Council craft a clear direction on budget priorities. Mr. Nieuwenhuis said the budget reflects a number of the Council's top priorities including public safety, traffic congestion and mobility, maintaining existing levels of service, human services funding, Grand Connection, and the Environmental Stewardship Initiative (ESI). He expressed concern that expenditures are projected to exceed revenues beginning in 2021. He encouraged a continued focus on identifying cost savings and considering new, stable revenue sources. He expressed support for maintaining the 15-percent ending fund balance policy. He encouraged a continued focus on addressing medical expenses and the LEOFF I obligation.

Councilmember Zahn thanked staff for their work and expressed support for the budget. She thanked the community for their input and engagement. She said the budget reflects the values and priorities of the Council and the community including human services, transportation, and affordable housing. She noted the importance of adequate public safety funding to maintain Bellevue's quality of life. She is pleased with increased funding to the Environmental Stewardship Initiative. Ms. Zahn thanked staff for being responsive to the community's concerns and interests.

Councilmember Lee commended staff for their work on the budget, which reflects the values and tradeoffs considered by the Council. He encouraged sustainable funding for developing human infrastructure, and noted the Bellevue Essentials program as an example.

→ Councilmember Robertson moved to extend the meeting to 10:15 p.m., and Councilmember Stokes seconded the motion.

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

Councilmember Robertson thanked the City Manager, Leadership Team, and Budget staff for an efficient budget process. She said the budget captures the City Council Vision and the community's priorities for maintaining a high quality of life. She said the budget is consumer- and future-focused. She noted significant investments in neighborhood quality of life, geographic equity, neighborhood subarea planning, transportation and parks projects. She said it is important to continue to invest in the City in a Park vision. Ms. Robertson said the budget funds items related to the Grand Connection, regional aquatic center, and neighborhood parks.

Ms. Robertson said the budget reflects a number of Smart City initiatives, which foster and support economic development. She noted funding for human services and affordable housing,

including the addition of a homeless outreach staff position in the Police Department. She said the budget is responsive and responsible to the community, and it maintains financial integrity and sustainability. Councilmember Robertson highlighted the large property tax banked capacity, which reflects the taxes that the City has not imposed over the years. She is proud of the budget and proud of the Council for demonstrating its commitment to the community.

Councilmember Stokes said he appreciated his colleagues' comments. He said the budget is the most important policy document of the City. He said the budget is responsible, sustainable, and aspirational. He highlighted items related to economic development, Eastside Rail Corridor, smart technology, and arts and culture. Mr. Stokes said the budget will allow the City to continue to make Bellevue the place you want to be.

Deputy Mayor Robinson thanked the City Manager, Finance Director, staff, and the Council for their work on the budget. She noted that the budget provides funding for parks, public safety, affordable housing, environmental initiatives, human services, and neighborhood enhancements. She said the budget maintains the services that make the community a desirable place to live and work.

Mayor Chelminiak thanked the Leadership Team and staff for their work. He observed that the City continuously reviews its operations and looks for ways to enhance efficiency and effectiveness. He said the budget meets the City's priorities through investments in public safety, the environment, planning and responding to growth, neighborhoods, and commercial areas. He said the budget reflects the community's input regarding public safety, transportation, and human services. He is pleased with the addition of the homeless outreach staff position in the Police Department.

Mr. Chelminiak said he hopes 2019 will be the last year that the men's homeless shelter closes for six months of the year. He looks forward to a permanent shelter in Bellevue.

Mayor Chelminiak said this has been a strong budget process with early and effective communication between Councilmembers and staff. Mayor Chelminiak noted that \$15 million are focused on the implementation of the City's Affordable Housing Strategy.

Mr. Chelminiak thanked the business community, including the joint Chamber of Commerce-Bellevue Downtown Association (BDA) committee, for their review and support of the budget.

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

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

Mayor Chelminiak declared the meeting adjourned at 10:10 p.m.

Kyle Stannert, CMC
City Clerk

/kaw