



CITY COUNCIL MINUTES MINI-PLANNING SESSION JUNE 11, 2016

CALL TO ORDER & ROLL CALL

Mayor Bassett opened the Mini-Planning Session at 8:32 am in the Clark room at the Mercer Island Community & Event Center at 8236 SE 24th Street, Mercer Island, WA.

Mayor Bruce Bassett, Deputy Mayor Debbie Bertlin, and Councilmembers Dan Grausz, Jeff Sanderson, Wendy Weiker, Dave Wisenteiner, and Benson Wong were present.

SPECIAL BUSINESS

Recap of Council Work Plan and Progress to Date

Interim City Manager Steve Lancaster reviewed the 2016 work plan. He noted that the number of agenda items completed in the first two quarters is almost on track with the number of planned items. The Council asked questions about specific items on the work plan. **Council requested that the following items be added to the work plan during the third and fourth quarters of 2016: MICA Lease, City Manager Recruitment, and Post-mortem Report on the Town Center Process.**

City Manager Lancaster provided a status update on each of the items on the parking lot from the January 2016 Planning Session.

2017-2018 Budget Kick-Off

Finance Director Chip Corder reviewed the following issues for the 2017-2018 Operating Budget:

- Significant deficits are projected in the General Fund beginning in 2017
- Significant deficits are projected in the YFS Fund Beginning in 2017
- The City has a number of staffing needs, but the greatest need is in the IGS Department
- The fire apparatus sinking fund is currently funded only through 2026

He spoke about the key assumptions and what is driving the projected deficits in the General Fund and Youth and Family Services Fund forecasts. He further spoke about staffing needs in the Information and Geographic Services Department and that the fire apparatus sinking fund is only funded through 2026.

The Council discussed possible revenue options, as well as the need to inform the community about the projected deficits and ways to convey the information to the citizens.

Director Corder presented six "what if" scenarios for balancing the budget as follows:

1. Expenditure cuts
2. Utility tax increase + water rate increase + Expenditure cuts
3. Levy lid lift + Expenditure cuts
4. Levy lid lift (no expenditure cuts to General Fund or YFS Fund; add Helpdesk Technician; and add funding for fire apparatus sinking fund)
5. Levy lid lift (no expenditure cuts to General Fund or YFS Fund; add Helpdesk Technician; add funding for fire apparatus sinking fund; and add \$300k annual funding for parks and facilities capital projects)
6. Levy lid lift (no expenditure cuts to General Fund or YFS Fund; add Helpdesk Technician; add funding for fire apparatus sinking fund; and add \$6.0M for parks and facilities capital projects)

He noted the financial impact of the four levy lid lift scenarios (3 through 6, above) on a \$1 million home:

3. \$71 in 2018 + \$5-6 increase each year
4. \$166 + \$72-89 increase each year

5. \$194 + \$72-89 increase each year
6. \$233 + \$72-89 increase each year

Director Corder also walked through each City department, providing additional information if expenditure cuts are considered by the Council. He noted that no cost savings would be achieved by cutting positions in Police and Fire because of contractual minimum staffing requirements. DSG's staffing level is directly tied to development activity on the Island, and its costs are mostly funded by development fees. The Parks & Recreation Department has a 50-55% total cost recovery policy through fees. Both Parks & Recreation and Youth & Family Services have strong public support based on previous biennial citizen surveys. The Maintenance Department's Right-of-Way Team lost 2.5 FTEs during the Great Recession. That leaves the Municipal Court and the internal support departments (i.e., City Attorney's Office, City Manager's Office, Finance, Human Resources, and Information & Geographic Services), which together comprise 24.75 FTEs. There are no easy position cuts given how leanly staffed the City is currently.

He recommended that the Council:

- Use one-time General Fund surpluses in 2015 & 2016 to bridge the projected General Fund and YFS Fund deficits in 2017.
- Use 2017-2018 Budget process to make the public aware of the projected deficits, the other funding needs (e.g. Helpdesk Technician position and fire apparatus sinking fund) and the options for addressing both.
- Identify service level cuts that will be needed to balance the General Fund and YFS Fund budgets in 2018 absent a new revenue source.
- Engage the public on this issue in the first half of 2017 through one or more of the following means:
 - Send out Island-wide mailing, describing the issue, its causes, and the options for bridging the projected deficits and including a brief survey.
 - Develop a public presentation and hold a series of public meetings at various Island locations to educate the public, field questions, and gather input.
 - Go on a "road show" tour making the public presentation noted above to the Rotary Club, the Chamber of Commerce, the League of Women's Voters, and other Island groups to educate them, field questions, and gather input.
- Make a decision on how to balance 2018 by June/July 2017. If a levy lid lift is the preferred option, then a ballot measure ordinance would need to be adopted by July 2017 for the levy lid lift to be placed on the November 2017 ballot.

The Council agreed with staff's recommendations.

Maintenance and Fleet Audit

Maintenance Director Jason Kintner provided an overview of the Maintenance Department Audit. He spoke about staffing and functions of administration and support services, water and sewer utilities, and right-of-way and stormwater services. He noted that the organizational audit scope of work was to determine if the Department is running efficiently and effectively, compare current staffing levels, provide recommendations on industry best practices and evaluate organizational structure and key focus areas.

He reviewed the following key organizational recommendations from the audit:

- Staffing levels are average for comparable cities
- Efficient measures need to be developed to adequately measure performance
- Need for better asset management (need for a new Maintenance Management System that links to fleet and City's financial system)
- Need for minor modifications to department structure and name (change to Public Works Department) and need for further evaluation to improve and refine business processes
- Evaluate and consider pursuing American Public Works Association (APWA) accreditation

He also reviewed the recommendations from the supplemental audit report as follows:

- Essential maintenance activities that should be tracked for productivity and cost measure analysis were identified
- Guidance for 5- and 20-year department goals for APWA compliance was provided.
- Further compliance with NPDES Phase II Permit by 1) completing inspection and cleaning of all catch basins, and 2) updating the maintenance program documentation.

Director Kintner requested Council approval to move forward with Maintenance Management System project development, procurement, and bid solicitation in 2016 for implementation in 2017. He noted that, if Council delays the decision to move forward until the approval of the 2017-2018 budget in December 2016, staff will not be able to implement the system until 2018.

Council deferred the decision until the June 20 Regular Council Meeting during the Preview of Preliminary 2017-2022 Capital Improvement Program.

Director Kintner presented the following recommendations from the fleet audit:

- Remove two vehicles from replacement cycle
- Extend replacement of crew vehicles to 10 years (previously 8-years) and patrol vehicles to 4 years (previously 3-years)
- Implement a fleet software program (as part of Maintenance Management System) to improve business practices and efficiencies.

The Council agreed with the recommendations from the Maintenance Department organizational audit, the supplemental audit and the fleet audit.

The Council took a 15-minute break for lunch.

Council Electronic Devices

Information Services Director Mike Kaser and City Clerk Ali Spietz provided information about the costs, use, and functionality of City-issued and maintained devices for Councilmembers to use for City business. They answered questions about using City-issued versus personal devices and the pros and cons for each. The Council supported the one-time upfront and on-going costs for purchasing City-issued and maintained devices based upon individual Councilmembers' needs.

Fireworks (a) Discharge and (b) Sales Permit Approval

Fire Chief Steve Heitman presented information to the Council regarding the discharge and sale of fireworks on Mercer Island, as well as information about staff's recommendation to amend MICC 8.35.020 allowing the Fire Code Authority (Fire Chief) to approve and sign fireworks sales permits contingent upon all of the application criteria and conditions having been met.

Following discussion, a majority of the Council agreed to the following:

- The City should continue to allow the discharge of consumer fireworks
- The City should continue to allow the sale of consumer fireworks
- The days and hours of sales of consumer fireworks shall be limited to:
 - June 28: noon to 9pm
 - June 29-July 4: 9am to 9pm
- The Fire Chief should have the authority to ban the discharge of consumer fireworks in a given year due to extreme fire danger.
- Delegate authority to the Fire Chief for issuing fireworks sales permits.

Council requested that any code amendments needed for the above listed changes, be brought back at the June 20 Regular Council Meeting for Council's consideration in an emergency ordinance, which would allow for the changes to be effective in 2017.

Council / Staff Operations and Communications Check-In

Assistant City Manager Kirsten Taylor reviewed the discussion at the 2016 Council Planning Session regarding Council/Council and Council/Staff communications and operations. Mayor Bassett asked for feedback about how staff and Council are working together and following the norms and goals discussed at the 2016 Council Planning Session.

Assistant City Manager Taylor reviewed the priorities of the Organizational Effectiveness Subcommittee as follows:

- a. Review the City Council Rules of Procedures for any needed changes and make recommendations, as needed, to Council.
- b. Establish written protocols for effective Council/staff operations and communications.
- c. Consider a number of possible changes to increase Council meeting efficiency and effectiveness, such as consider changing the day of the City Council meeting to Tuesday, and/or consider changes to the Appearances section of the meeting.
- d. Develop protocol for using social media and responding to media.

Following discussion, Council identified the following additional priorities for the Subcommittee:

- e. Subcommittees/council-of-the-whole structure as a way to reduce Council meeting length and get through tough issues easier.
- f. Additional options for Appearances: additional meeting for public comment only or limit time at each meeting
- g. Ways to shorten the meeting
- h. Determine if town halls are a good platform for Council to get the word out about issues and celebrate accomplishments
- i. Review social media responses to hot topics
- j. Council communication with the public; how does the Council interact with the public; community engagement protocol
- k. Set aside time on meeting agenda to address regional issues (e.g., SCA, PIC)

The Council agreed to the priorities and guidance listed above for the Subcommittee and suggested benchmarking these against other cities to see what would work best for Mercer Island.

Mayor Bassett inquired about and received support for planning a team-building outing for Council and senior staff.

Parking Lot

1. Drones

Councilmember Wong asked if the City needs to look at drone regulations. **The Council decided not to take any action at this time, but asked the City Attorney to monitor other cities actions relating to drones.**

2. Body cameras for police

Councilmember Wong asked about the recent legislation regarding body cameras for police officers and if the City would like to look into having them for the Mercer Island Police Department. Chief Holmes explained that the recent legislation only applies to agencies who currently have them and those privacy provisions expire in 2019. No action was taken on this item.

3. B&B regulations (related to business licensing and business and occupation tax)

Councilmember Wong inquired if there are B&Bs operating on the Island without business licenses or reporting business and occupation tax. City Attorney Kari Sand reminded the Council that code enforcement is complaint-driven, and staff would need to gather information from the Code Compliance Officer to determine if it is an issue. **The Council decided not to take any action at this time, but asked the Code Compliance Officer to monitor complaints regarding B&Bs.**

4. Code provisions for EV charging stations and composting requirements in new multi-family residences

Councilmember Wong asked about amending the City code to add provisions about electric vehicle charging stations and composting requirements for new multi-family residences. **The Council decided to add these items to the Planning Commission's work plan.**

5. Construction Noise Hours, 7am to 10pm M-F, per MICC 8.24.020(Q)

9. Noise Ordinance Amendments

Councilmember Wong inquired about changing the City's noise ordinance to reduce the allowable hours for construction noise. Councilmember Grausz noted that the allowable time for construction noise on the Island came up during discussions with Sound Transit regarding the center roadway constructions. **Staff will prepare a memo for Council in Q3 2016 regarding options for what could be changed in relation to construction noise on the Island, and if no immediate need is determined, then the item will be discussed again at the 2017 Planning Session.**

6. Diversity and Inclusion

Councilmember Bertlin spoke about her commitment to and passion for a dialogue with the public regarding diversity and inclusion. She suggested following the School District's lead and put together a committee of a couple of staff members and Councilmembers to look at diversity and inclusion in the community. **Deputy Mayor Bertlin, Councilmembers Weiker and Wong and Police Chief Holmes will meet to determine the scope and what the City and staff need or want in terms of diversity and inclusion. They will report back at the 2017 Planning Session.**

7. Amending Code to Address Development Agreements

Councilmember Grausz requested that the code regarding development agreements is reviewed and revised. City Attorney Sand spoke about Gig Harbor's code and the flexibility within boundaries they set for their Town Center. **The Council decided to add this item to the Planning Commission's work plan.**

8. Remaining Town Center parking issues Grausz

Councilmember Grausz stated that the remaining Town Center parking issues need to be identified. **Staff will prepare a memo regarding the remaining Town Center Parking Issues. Council will then add them to the Planning Commission's work plan.**

10. Residential density/code update process for remainder of year

Councilmember Grausz inquired about the timeline for residential development code amendments in the second half of 2016. City Manager Lancaster noted that the Principal Planner and Senior Planner recently left the City and the newly hired Planning Manager starts on Monday, but that the Planning team will need to reevaluate their work load and the timeline for the code amendments. **DSG Director Scott Greenberg will provide the Council with an updated timeline in a few weeks.**

11. Post-mortem on Town Center process in preparation for residential development standards

Councilmember Sanderson would like the City to engage in a post-mortem process to review the Town Center Vision and Development Code Update process. City Manager Lancaster noted that the post-mortem should be used to guide how the Council and staff move forward with the update of residential development standards. The Council discussed hiring a consultant or company to conduct the post-mortem and how to move forward. They spoke about the need to find someone who can take the information gathered from the post-mortem and do something with it to turn it into a plan for the update of residential development standards. They discussed the need for feedback from the public about the process versus the decisions made. **City Manager Lancaster suggested that a few key staff members, a councilmember, a Planning Commissioner, and Design Commissioner meet with a company or consultant to discuss issues and concerns about the post-mortem evaluation and ask how they would approach the assessment. The Council agreed.**

12. Economic development

The Council discussed what economic development encompasses. City Manager Lancaster suggested that as a first step, the Council should be surveyed to determine what economic development means to each Councilmember: and what the goals of an economic development program might be. More jobs for Island residents? More or better businesses accessible to residents? Increased tax revenue? Greater market share/revenue for existing businesses? He stated that staff needs to understand where Councilmembers are coming from to be able to move the discussion forward. **The Council decided to move this discussion to the 2017 Planning Session.**

13. School fields

The Council and staff discussed the previous financial support from the City for School District fields in return for priority scheduling and the need for improved coordination and communication regarding the scheduling of fields. **The Council decided to have the City Manager and Mayor meet with the School District Superintendent and Board President to discuss the issue, reconvene the City-School District Ad Hoc Committee to work through possible changes, and then have the Committee report back to the full Council and School Board at the next Joint Meeting of the City Council and School Board.**

14. Community asset alignment (school-city optimization)

Councilmember Bertlin noted that this is a larger discussion to have with the School District and that the field scheduling conversation is a good place to start. No action was taken on this item.

15. School counselor funding

Councilmember Wisenteiner spoke about a levy lid lift to fund the YFS Department's mental health school counselors. Councilmember Grausz questioned if a general levy increase can be for single purpose or if it needs to be a 9- or 15-year levy and if the funds raised by the levy can be used to fund an existing program. Mayor Bassett expressed his concern with having two levies in front of the voters and what would happen if one or the other did not pass. City Manager Lancaster spoke about using citizens and volunteers who have experience in these types of levies and have conversations about what the problem is and ideas for moving forward. **The Council formed a committee to look at a possible levy for funding mental health school counselors, determine what the community's reaction and comfort level might be, and develop ideas for next steps. The Committee members are Councilmembers Wisenteiner, Sanderson, and Deputy Mayor Bertlin.**

16. Capital levy

Councilmember Grausz proposed the idea of a levy to help fund capital projects. He noted that parks projects are attractive to the community, and the City could engage with parks groups to help move the levy forward. He believes this is the best way to get capital projects done and free up capital funds for non-parks projects. **The Council formed a committee to look at a possible levy for capital projects, determine what the community's reaction and comfort level might be, and develop ideas for next steps. The Committee members are Councilmembers Grausz, Wong and Weiker.**

17. 2017 Planning Session Date

Mayor Bassett proposed February 3-4, 2017 for the 2017 Planning Session. He noted that it would be later than normal and there would be a meeting the following Monday night, but Councilmember Grausz will be out of the country in January. **The Council tentatively agreed to February 3-4, 2017 for the 2017 Planning Session.**

18. Parks & Recreation Department Name Change

Deputy Mayor Bertlin spoke about changing the Parks and Recreation Department's name to include "arts" to recognize the importance of arts in the Departments' service delivery. Parks and Recreation Director Bruce Fletcher noted that "arts" fits within the work that that the Department does, but that there are significant costs with a name change. He also stated that he spoke to management staff who were cautious in moving forward with a name change. Councilmember Weiker stated that she is sensitive to change at this time, given the MICA project and the recent initiative petition, even though she thinks it is important to recognize the arts. **The majority of the Council agreed with a name change and directed staff to suggest ideas for a name change to include "arts" in the Parks and Recreation Department title. Director Fletcher said he would report back to the Council with the suggestions.**

19. Knotweed legislation

Mayor Bassett asked if the City should consider legislation to make knotweed illegal on private properties as it is invasive and could be considered a public nuisance. **This item was added as a topic for the 2017 Planning Session.**

20. Sound Transit 3 Endorsement Consideration

Mayor Bassett asked the Council if there is any interest in having the Council take a position on ST3. He noted that each individual Councilmember can take a position it, but that the Council as a whole could as well. Councilmember Sanderson asked if the Council took a position on ST2.

The Council deferred a decision and asked staff to research if the Council took a collective position on ST2.

21. Critical Area Ordinance Update

Councilmember Weiker asked if the Critical Areas Ordinance update should occur before the residential development code amendments. City Attorney Sand provided information about them happening simultaneously and a possible benefit of updating the Critical Areas Ordinance before residential development code amendments. No action was taken on this item.

ADJOURNMENT

The Mini-Planning Session adjourned at 4:50 pm.

Bruce Bassett, Mayor

Attest:

Allison Spietz, City Clerk