



CITY COUNCIL MINUTES MINI-PLANNING SESSION JUNE 18, 2011

CALL TO ORDER

Deputy Mayor El Jahncke, serving in the role of Acting Mayor as a result of Mayor Pearman's illness, called the meeting to order at 8:00 am in the Calkins Room at the Community Center at Mercer View, 8236 SE 24th Street, Mercer Island, Washington.

ROLL CALL

Councilmembers Bruce Bassett, Jane Brahm, Mike Cero, Mike Grady, Dan Grausz and Deputy Mayor El Jahncke were present. Mayor Jim Pearman was absent.

2011 COUNCIL WORK PLAN – STATUS REPORT

City Manager Rich Conrad opened the discussion by reviewing the 2011 Council Work Plan. He reported that work accomplished to date was consistent with the half-way point in the Council's work priorities.

FINANCIAL ISSUES

Finance Director Chip Corder presented a number of financial issues to the Council. First among them was his most recent financial forecast.

Forecast – Finance Director Corder outlined for the Council his "More Likely Scenario" for the General Fund for the period 2011-2016. In summarizing the forecast, he noted that the General Fund would likely need to tap its Rainy Day reserve less than what was budgeted in 2011-2012 (i.e. that the General Fund would be in a slightly better financial position relative to the budget). However, beginning in 2013, Mr. Corder projects a deficit in the General Fund, which continues to grow each year thereafter. He noted that additional service reductions and/or revenue increases will be needed in future biennia in order to bridge the projected deficits and to maintain current service levels.

Town Center Project – The City Manager summarized the work already accomplished in the Town Center Project by consultant BP Squared. Specifically, four viable sites for a future transit oriented development were identified with property owners having been favorably contacted. Additional commuter parking opportunities had been evaluated for the project with Sound Transit continuing to indicate (conceptual) interest and support for project financing.

Phase 2 of the project as proposed in the Council's packet includes: continuing to work with Sound Transit to determine a level of support for parking facilities; working with property owners to work out project concepts; and, to identify a developer willing to work with the City, property owner and Sound Transit for ultimate project implementation. Councilmembers had questions about Sound Transit's participation as well as the timing of the next Phase. Councilmember Grausz asked that a clause in the Phase 2 agreement give the City the ability to withdraw from the project at any time during the agreement term. He also asked that BP Squared be required to obtain prior written approval from the City in order to invoice the City for expenses above 70 hours per month.

The Council indicated its support for the proposed Phase 2 scope of work and fees with the addition of Councilmember Grausz' requested changes. The Council indicated its intent to budget the proposed project costs from the Sewer Lake Line project savings.

Sewer lake Line Project Savings – Finance Director Corder handed out the current estimated savings from the now-completed Sewer Lake Line Project. The handout identified a savings of \$2.0 million as well as staff's recommendations for how to use the savings. Because the Sewer Lake Line project had received \$2.8 million in

tax funding (\$1.8 million in General Fund surplus revenues + \$1.0 million in real estate excise tax), the Finance Director made the determination that the \$2.0 million in savings consisted of \$1.6 million in General Fund surplus revenues and \$400,000 in real estate excise tax.

The Council engaged in an in-depth discussion of priorities for the \$2 million savings. The Council’s consensus is summarized below:

Use	Amount
Provide funding for First Hill Booster Pump Station project (decided by Council at its Jan 2011 Planning Session and at 2/7/11 Council meeting)	\$400,000
Replenish the “revenue stabilization reserve” used in 2009-2010	300,000
Replenish the Contingency Fund monies used in 2010	220,279
Advance replenish the planned draw on the Contingency Fund in 2011-2012	319,739
Unbudgeted sales and B&O taxes due to DOR on amusement, recreation, and physical fitness services in 2011	28,000
Provide funding for records management support to City Clerk	60,000
Provide funding for Town Center transit oriented development study (phase 2)	70,000
Make contribution to LEOFF I long-term care reserve (\$2.07M target vs. \$913K balance as of 12/31/10)	100,000
Reserve for pool feasibility consultant services in 2011*	50,000
Remaining balance (disposition to be determined by Council at a subsequent meeting)	\$451,982

* Determined during Pool – Long Term Strategy Update later in the agenda

Finance Director Corder told the Council that he would return to the Council on or before August 1st during a Regular Business agenda with appropriate documentation and recommended motions for implementation of the Council’s consensus.

I-90, SR 520, I-405 – REPRESENTATIVE JUDY CLIBBORN & SENATOR STEVE LITZOW

Deputy Mayor Jahncke welcomed Rep. Clibborn and Sen. Litzow to the Planning Session. Deputy Mayor Jahncke asked the two legislators to comment on the current status of tolling plans for SR 520, I-405 and how that might ultimately impact I-90 operations. Both legislators responded about the near-term tolling that is about to begin on SR 520, although only after technical issues have been worked out by WSDOT and its vendor. They talked about the debate in both the House and Senate on I-405 tolling, focusing primarily on the “northern” section of I-405 between SE 6th in Bellevue and Bothell. Rep. Clibborn spoke about a “high-level” study currently underway at WSDOT to determine what the state would do if tolling I-90 became necessary (e.g. if an unexpected diversion of traffic from SR 520 caused unacceptable congestion on I-90).

The Council mentioned various ideas on how to minimize impacts to Mercer Island should tolling of I-90 become necessary. The two legislators encouraged the City to include those ideas in a letter to WSDOT seeking inclusion and assessment of the ideas in the current study.

The Council took a short break for lunch.

TEMPORARY ENCAMPMENT ORDINANCE

City Attorney Katie Knight reminded the Council that they had instructed the staff to place this item on the agenda at a council meeting earlier in the year. She went on to identify the issues that were to be discussed including: reducing the number of days between an application for temporary encampment permit and the actual hosting of the encampment; changing or eliminating provisions in the ordinance regarding warrant check verifications; and, bringing the ordinance into compliance with state law regarding indemnification (passed after the ordinance had been enacted).

Councilmember Grady spoke in favor of changing the ordinance, particularly regarding the warrant check verification language. Councilmember Grausz spoke in favor of reducing the application time period provision and perhaps some partial relaxing of the warrant check provisions. Deputy Mayor Jahncke agreed. Other Councilmembers (Bassett, Cero, and Brahm) favored leaving the ordinance as currently written at least until a Tent

City encampment application is processed and one or more encampments are hosted under the existing ordinance. Given no clear consensus from the Council, staff was directed to continue to consider possible modifications but to not draft any new language at this time.

Councilmember Grady departed the meeting.

POOL – LONG-TERM STRATEGY – PROGRESS REPORT

City Manager Conrad gave an update on pool-related activities since the Council's January, 2011 Planning Session. He reported that, per Council's direction, the "Pool Study Group" appointed by the Mayor (Dan Grausz, Debbie Bertlin and staff) met several times with leadership at the Stroum Jewish Community Center and their design professionals. He reported that, although no "fatal flaw stumbling block" had been identified in the meetings, ultimately the JCC and its Board had informed the City that a pool development partnership was not the highest priority endeavor for the JCC. They would prefer to focus on their operational issues and capital improvement/fund-raising for other facilities.

City Manager Conrad went on to explain that the meetings had been beneficial in that a general scope and scale of a new pool had been envisioned and that the next step for the Council would be to retain the services of a pool feasibility specialist to review and advise the City on several possible pool sites. City Manager Conrad identified three sites for potential review – the existing Mary Wayte Pool site, the East Seattle School site and Luther Burbank Park (tennis court area).

After questions and comments for Councilmember Grausz and Debbie Bertlin, the Council agreed to allocate up to \$50,000 for a pool feasibility consultant. City Manager Conrad was directed to return to the Council with a scope of work and fee proposal for authorization to proceed with the work.

AMBULANCE TRANSPORT PROGRAM STATUS

Fire Chief Chris Tubbs handed out a status report on the ambulance transport program. The report focused the numbers of transports, by whom, the transport destinations, billings, collections and performance metrics. In summary, Chief Tubbs stated that the program had, so far, gone very well. Staff support was strong, no complaints from patients or the community and the numbers of transports and billings were within projected parameters.

Councilmembers asked questions about the data and generally accepted the report as positive. Chief Tubbs will continue to collect data and report it to the Council later in this first year. No other direction was given by the Council.

TOWN CENTER RETAIL REQUIREMENTS

Development Services Director Tim Stewart gave an overview of a memo included in the Council's packet regarding the City's regulations for Town Center retail spaces. He explained that the item was placed on the agenda at the request of Council after an Appearance by a Town center commercial property owner. The property owner's concern was that he continues to have a difficult time filling spaces in his buildings with retail uses as defined in the City's Code. According to Director Stewart, the key issue in the regulations revolves around the City's requirement for "60% of street frontage to be used for retail/restaurant/personal services with no more than 40% of the space used for hotel/motel, public facilities, services or office uses."

The Council discussed the request, the status of the current retail market on Mercer Island and the definitions of various uses and activities in the City's Code. The Council discussed the desirability of having street frontage uses that generate walk-in traffic and street level activity. They discussed how some retail banking uses (for example) could have the positive effects sought by the Code but are prevented by the definition of "office uses" versus "retail uses".

The Council directed staff to consider some changes and return to the Council with ideas that would further the Council's objective for greater street frontage activity.

SUSTAINABILITY COMMITTEE REPORT & WORK PROGRAM

Assistant City Manager Glenn Boettcher and Councilmember Bruce Bassett presented a status report of Sustainability Committee activities for 2011 as well as a proposed "Charter" and Work Plan. The Council generally supported the Charter with the exception that the proposal to dedicate "savings" from City-generated sustainable practices (e.g. energy savings) to additional sustainability work program activities was not supported. The Council deferred any allocation of funds for the Sustainability Work Program to a later date.

BICYCLE/PEDESTRIAN/AUTOMOBILE – ROAD USER SAFETY EFFORT

Maintenance Director James Mason gave a brief update on the on-going efforts by local bicycle enthusiasts to identify best practices for cycling, driving and pedestrian activities on local rights of ways. The goal of the effort has been to institute "simple, low-cost and convenient practices to improve safety". The proposed "best practices" materials in the Council packet were well received by the Council. The Council urged staff to continue to work with the group towards communication and implementation of the proposals.

PROPERTY ACQUISITION REVIEW – OPEN SPACE OPPORTUNITIES

City Attorney Katie Knight and Parks & Recreation Director Bruce Fletcher outlined recent discussions regarding the Stevenson's property and North Star property.

Regarding the latter, they pointed out that the owners have indicated a willingness to talk to the City about acquisition or open space preservation but they have no current plans for disposal or development of the land. Parks Director Fletcher showed how a development buffer easement would provide added protection to the Engstrom Open Space. The Council generally favored seeking an easement for trail purposes across the North Star site, connecting to East Mercer Way. Staff was directed to explore those possibilities and return to the Council.

The Stevenson site generated discussion about possible uses. Generally, the Council felt that if it were to be acquired as a public space, it lent itself to active recreational uses as opposed to passive open space. The Council discussed it as a possible site for various ball field uses, possible pool site or a combination of active uses. The Council directed staff to contact leaders of the various ball field users groups to determine their willingness to "champion" a community campaign/bond issue for site acquisition. Staff will return to the Council with the results of those contacts.

ADJOURNMENT:

The Council adjourned the meeting at 4:00 pm.

Attest:

El Jahncke, Deputy Mayor

Allison Spietz, City Clerk