



CITY COUNCIL MINUTES MINI-PLANNING SESSION MEETING JUNE 20, 2009

CALL TO ORDER:

Mayor Jim Pearman called the meeting to order at 9:00 am in the Clarke Room at the Community Center at Mercer View, 8236 SE 24th Street, Mercer Island, WA 98040.

ROLL CALL:

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

2009 COUNCIL WORK PLAN – STATUS REPORT

City Manager Rich Conrad provided a mid-year update on the Council's Work Plan. He noted that the Council and staff were on target to meet the Council's work plan objectives. He pointed out that three Emerging Issues had been added by the Council – Youth Theatre Northwest funding, Farmers Market Briefing and Grant Request and Riley Cove Naming. He also pointed out that Councilmember Jahncke was correct that the staff and Council had agreed to add "Parks & Recreation Cost Recovery" as an agenda item in 2009. It will be addressed in the second half of the year.

TENT CITY REVIEW – PROPOSED REVIEW PROCESS

City Attorney Katie Knight presented a proposed process for conducting a "Community Review of the Tent City Experience". After considerable discussion, the Council agreed to proceed with the process with the following additions:

- Conduct a public involvement session with members of the "neighborhood" prior to conducting the remainder of the proposed process. This involvement opportunity should encourage both supporters and opponents from the First Hill neighborhood of the Tent City encampment.
- Staff should begin drafting an ordinance governing future tent city encampments. The ordinance should be drafted and reviewed by the Planning Commission along with all required public involvement opportunities so that the City Council can consider and decide the legislation no later than January 31, 2010. Ideally, the process should be concluded by the end of 2009.
- Staff should be prepared to address a moratorium related to future tent cities should the process appear to extend beyond January 31, 2010.

RESIDENTIAL STREETS

Assistant City Engineer Anne Tonella-Howe presented to the Council a newly acquired Pavement Management software package. The package requires regular entry of pavement conditions throughout the City street system, establishes a consistent numeric methodology for pavement conditions ratings and assists in planning and prioritizing for future street pavement repairs. The Council was satisfied that the new pavement management systems appeared to be adequate to assure wise planning and investment in the street system.

APRIL 2009 FISCAL STATUS REPORT

Finance Director Chip Corder briefed the Council on the April status report. He highlighted the "good news" that general fund expenditures are projected to be 3% below budget at year-end and the "bad news" that general fund revenues would likely fall \$900,000 below budget. He noted that the projected revenue shortfall can without

resorting to employee layoffs or tapping the City's "Rainy Day" fund. The Council received the briefing and provided no further direction.

FINANCIAL FORECAST

Finance Director Chip Corder briefed the Council on the General Fund and Real estate Excise Tax Forecasts. He highlighted the large reductions in construction-related revenues contained within "sales taxes" and "licenses, permits and zoning fees". He identified the budget re-balancing tools being used to address the projected revenue shortfalls of \$900,000 in 2009 and \$750,000 in 2010. A sharp reduction in home sales has also resulted in a sharp reduction in real estate excise tax revenues. As a result, the REET forecast has been reduced from \$1.485 million to \$1.15 million in 2009 and from \$1.73 million to \$1.675 million in 2010. The Council received the briefing and gave no further direction.

CIP PROJECT "SOFT FREEZES" REVIEW

Finance Director Chip Corder reviewed the list of "soft freezes" within the Capital Improvement Program. These projects, approved in the 2009-2010 Budget, have been frozen since the beginning of the budget year as a method of adjusting to the downturn in CIP revenues. The Finance Director recommended and the Council agreed to maintain the "freezes" for the rest of 2009. No other direction was given.

CONTINGENCY FUND BUDGET POLICY

Finance Director Chip Corder presented a proposed "Contingency Fund Budget Policy" that would guide Council and staff use and replenishment of the City's Contingency Fund. The Council discussed at length the need for both a 10% of general fund policy for the Contingency Fund plus a \$300,000 "revenue stabilization" reserve. After considerable debate the Council chose to maintain the Contingency Fund and revenue stabilization reserve at historic levels (i.e. status quo). The Council agreed with the draft Contingency Fund Budget Policy, with clarifying language to be added regarding when the 12-24 month "Rainy Day" strategy would be prepared by the City Manager and the Finance Director.

RECONCILIATION OF ADOPTED BUDGET TO AMENDED BUDGET

Finance Director Chip Corder presented a proposed 2009 Budget Adjustment Summary methodology to address questions raised at previous budget sessions by Council members Cero and Jahncke. He presented a "More Summarized" and "More Detailed" alternative. The Council agreed the Finance Department should use the "More Summarized" approach in showing incremental changes to the budget over time.

OTHER COUNCIL CONCERNS

The Council addressed a series of issues raised by council members at the meeting. The following items were discussed:

- LID Project (low impact development) – this item was raised by Councilmember Bassett. He sought Council support for having staff re-address a demonstration project somewhere on Mercer Island. After discussion, the Council directed staff to return with its "best" recommended low impact development demonstration project for 2010 construction.
- Sustainability – Council members Grady and Bassett provided the Council with a thorough briefing on the status of sustainability activities at the local/eastside level ("C-7 cities"), Puget Sound New Energy Solutions level; Mercer Island-Bainbridge Island challenge match; and, the Green Ribbon Commission
- Channel 21 Content – Councilmember Cero asked that the Council consider changes to the City's content management policies for Channel 21. City Manager Rich Conrad pointed out that Council member Litzow had asked for the same thing at the Council's January Planning Session and, as a result, the topic was

included on the Council Work Plan for the second half of 2009.

- Pedestrian/Bicycle Plan – The Council discussed the ongoing issues about use of the right of way by bicycles, pedestrians and parked or traveling cars. The Council agreed to conduct a “bike ride-along” to review key issues and locations. Staff will schedule the time and date of the bike “ride-along”.

ADJOURNMENT: 12:30 pm

Jim Pearman, Mayor

Attest:

Rich Conrad, City Manager