



REVISED CITY COUNCIL MINUTES
REGULAR MEETING
MAY 7, 2019

CALL TO ORDER & ROLL CALL

Mayor Debbie Bertlin called the meeting to order at 6:00 pm in the Council Chambers of City Hall, 9611 SE 36th Street, Mercer Island, Washington.

Mayor Debbie Bertlin, Deputy Mayor Salim Nice, and Councilmembers Lisa Anderl (arrived 6:02 pm), Bruce Bassett, Wendy Weiker (arrived 6:02 pm), David Wisenteiner, and Benson Wong were present.

AGENDA APPROVAL

It was moved by Bassett; seconded by Nice to:

Approve the agenda as presented.

Passed: 5-0

FOR: 5 (Bassett, Bertlin, Nice, Wisenteiner, and Wong)

ABSENT: 2 (Anderl, Weiker)

STUDY SESSION

AB 5558: ARCH Operations and Management

Lindsay Masters, Executive Manager for A Regional Coalition of Housing (ARCH) presented an overview of ARCH including the governance and organizational structure, the budget and work plan, and Housing Trust Fund allocations. She explained that ARCH works directly with private developers, financial institutions, non-profit corporations, and other public entities to assist in the implementation of affordable housing projects. She also spoke about the Housing Trust Fund parity goals and member contributions.

She reviewed ARCH's work in housing policy and planning, housing program administration and stewardship, and education and public outreach. She provided information about low- and moderate-income affordable units created through City incentive programs for all ARCH cities from 1992 to 2018.

Ms. Masters presented the ARCH 2019 Work Program priority objects for 2019:

- Strengthen program administration and monitoring functions.
- Coordinate and facilitate transit-oriented development projects on public land.
- Develop proposals for dedicated revenue sources for affordable housing.
- Pursue Strategies to increase access to housing by underserved communities.

She also presented the City of Mercer Island Work Program Activities:

- Assist with review of the City's MFTE program and evaluating options for a fee-in-lieu alternative to land use requirements.
- Assist City with a Housing Strategy Plan.
- As needed, assist City staff with components of residential development standards review that are associated with housing stock diversity.
- As needed, assist City staff with administering affordable housing provisions associated with the land use incentive and tax exemption programs for Town Center.
- Provide project support for Town Center development projects that include affordable housing.

Ms. Masters spoke about the recent new reports about homeowners living in affordable homes administered by ARCH that were not in compliance with program rules, mainly that owners were not using the units as their principle residence, are mandated in agreements signed by the buyers. She stated that staff are directly addressing all the violations that were brought to light and auditing the program by reviewing every single unit

against different data sets and responding to any information received about owners not in compliance with the program. She also spoke about needing to step back and determine how the program got to this place and what are the practices and policies that need to be reviewed to prevent it from happening in the future. She explained that the ARCH Executive Board contracted with a consultant to review the program, who will provide a series of recommendations to the Board to implement. These recommendations will go to the City Councils of member cities for review and prioritization.

The Council requested that the ARCH 2019 Administrative Budget and Work Program and ARCH 2018 Trust Fund Approval agenda items be placed under Regular Business on the May 21 agenda.

CITY MANAGER REPORT

City Manager Julie Underwood thanked City Attorney Kari Sand for her service to Mercer Island and spoke about her accomplishments during her tenure at the City. Her last day is May 10. Councilmembers thanked Kari for her guidance, professionalism, hard work, and dedication.

City Manager Julie Underwood reported on the following:

- Congratulations to the MIYFS team for successfully securing a \$50,000 Health Care Authority Transformational Enhancement Grant!
- Congratulations to the Parks & Rec team for securing a \$20,000 Get Active Stay Active Grant from King County Councilmember Claudia Balducci!
- \$500,000 allocated from the State's Capital Budget for our Aubrey Davis Park Trail Upgrade project!
- Help shape the future of Aubrey Davis Park by participating in the City's online survey by visiting: Letstalk.mercergov.org/Aubreydavis available through June 7
- Vision 2050 Process Update: City submitted comments before the comment period closed, supporting "Staying the Course"
- Neighbors in Motion First Aid Class on Saturday, Jun. 1, 9:00am-1:00pm at Mercer Island Fire Station No. 91 (Town Center)

City Manager Underwood also announced her resignation and that her last day with the City will be June 7. She stated that while she has served for nearly two and a half years, and there is yet more work to be done, the role of City Manager in this community is calling for a style of management that is different from her leadership vision.

Mayor Bertlin noted that the Council has regrettably accepted Julie's resignation. She explained that she, the Deputy Mayor, and City staff will be meeting soon to talk about appointing an interim City Manager and that the goal is to name someone before Julie's departure on June 7. She explained that they will bring back the authorization to appoint or hire an interim at the May 21 or June 4 Council meeting and that once an interim City Manager is in place, they will work on the timeline for a permanent hire.

APPEARANCES

Eric Radman, Mercer Island, spoke to the Council about banning fireworks on Mercer Island. He noted that one of the largest and most devastating wildfires in the Northwest was caused by a firework. He asked that if the Council would not ban fireworks to at least ban sparklers due to the high burn heat.

George Wittman, Mercer Island, wanted the Council to hear a positive viewpoint about the importance and uniqueness of ARCH. He encouraged the Council to continue to support ARCH.

Lucia Pirzio-Biroli, Mercer Island, spoke about housing and homelessness issues in the greater Seattle area. She encouraged the Council to maintain support of ARCH as it makes good economic sense in the City's current financial situation.

Ira Appelman, Mercer Island, is unsatisfied with the ARCH presentation at the Study Session. He is concerned about the oversight of the program and that no action has been taken in response to the recent allegations in the news. He acknowledged that ARCH fulfills an important mission, but that something must change in oversight. He also spoke about upzoning in the Seattle area destroying affordable housing.

Matthew Goldbach, Mercer Island, spoke about the recommendation to suspend the Rules of Procedure for a second reading of an ordinance regarding the 2018 year end report. He also asked if there was a staff report regarding the Mercer Island Transit Interchange. He also noted that there was nothing in the TIP about the intersection in front of the Stroum Jewish Community Center.

CONSENT CALENDAR

Deputy Mayor Salim Nice requested the removal of AB 5562: Soil Remediation Appropriation Request from the Consent Calendar. Mayor Bertlin moved it to the first item of Regular Business.

Payables: \$178,094.16 (04/18/2019) & \$526,536.24 (04/25/2019)

Recommendation: Certify that the materials or services hereinbefore specified have been received and that all warrant numbers listed are approved for payment.

Payroll: \$871,572.46 (04/26/2019)

Recommendation: Certify that the materials or services specified have been received and that all fund warrants are approved for payment.

Minutes: April 16, 2019 Regular Meeting

Recommendation: Adopt the April 16, 2019 Regular Meeting minutes as written.

AB 5557: 2019 Arterial and Residential Street Overlays

Recommendation: Award Schedules 'A', 'B', 'C', and 'D' of the 2019 Arterial and Residential Street Overlays project to Lakeside Industries in the amount of \$1,668,155. Set the total project budget to \$1,973,607.00 and direct the City Manager to execute the construction contract.

It was moved by Nice; seconded by Wong to:

Approve the Consent Calendar and the recommendations contained therein.

Passed 7-0

FOR: 7 (Anderl, Bassett, Bertlin, Nice, Weiker, Wisenteiner, and Wong)

Councilmember Bassett acknowledged the work that goes into the annual arterial and residential street overlay project and thanked staff for this work to make the roads safe.

PUBLIC HEARING

AB 5556: 2020-2025 Six-Year Transportation Improvement Program (TIP) Public Hearing & Review

Mayor Bertlin opened the public hearing at 7:44 pm.

Roberta Lewandowski, Mercer Island, thanked staff for the tool to look at a map and see what was being proposed. She spoke about making the Town Center pedestrian friendly. She supports Neighbors In Motion's request to finish the north-south bike route. She stated that Island Vision thinks it is important to update the Pedestrian and Bicycle Facilities Plan sooner rather than later.

Kirk Griffin, Mercer Island, member of Neighbors In Motion, urged Council to support the following project: paving the East and West Mercer Ways shoulder sections, the north-south bike route, Safe Routes to School for kids to ride bikes to school, and the Aubrey Davis Master Plan.

Trever Reed, Mercer Island, encouraged the City to adopt the National Association of City Transportation Officials' Ages & Abilities criteria for selecting and implementing bike facilities.

Jim Stanton, Mercer Island, spoke about a post on NextDoor about someone's experience with e-bikes and comments about the difficulty to move around the Island on a bike. He asked the Council to move up the north-south bike route project before light rail comes in 2023.

Mayor Bertlin closed the public hearing at 8:01 pm.

City Engineer Patrick Yamashita presented the 2020-2025 Transportation Improvement Program (TIP). He reviewed the program elements including project descriptions, project maps, public comments, Street Fund balance and new projects/changes from previous TIP.

He noted that TIP priorities are established in the Comprehensive Plan & CIP Budget Policies and focus on “reinvestment” (maintaining existing facilities) over constructing new facilities. He also reminded Council that TIP funds are limited. He spoke about Initiative 976 which could repeal City authority to use Transportation Benefit Districts as revenue source resulting in a loss of ~\$375K/year for Mercer Island.

He noted that the TIP public comment period of 30 days was advertised on City website, Let’s Talk, MI Weekly, and MI Reporter and that most of the comments were related to pedestrian & bicycle facilities (PBF). He spoke about preservation projects versus new construction projects and reviewed a few notable projects: Mercer Way Shoulder Development, Town Center Sidewalk Replacement Pilot Project, and North-South Bike Route on Island Crest Way.

Senior Project Manager Kirsten Taylor presented information for the Council to continue their discussion of the goals and criteria for selecting projects and programs using ST settlement funds. The Council affirmed the ST Settlement fund goals as follows:

1. Mitigate the loss of access from closure of the center roadway.
2. Improve access to transit and maximize the largest number of residents using transit.
3. Improve vehicular circulation as well as pedestrian and bicycle safety near the light rail station.
4. Leverage partnerships to share costs and resources and use settlement funds effectively.

Ms. Taylor then reviewed the criteria categories for selecting projects and programs, which the Council confirmed, as follows:

1. General
2. Pedestrian, Bicycle, and Vehicular Improvements
3. On Time, On Budget
4. Sustainability and Innovation

Councilmember Bassett requested permission from the Council to have conversations with Sound Transit regarding possible future programs for first/last miles solutions on Mercer Island with the expectations that (1) he would speak as an individual Councilmember, (2) the conversations would require no staff time or support, and (3) there would be no explicit discussions regarding the re-opening of the ST agreement. The Council concurred.

City Engineer Yamashita noted that adoption of the 2020-2025 Transportation Improvement Plan is scheduled for June 4. The Council asked questions about specific projects but made no substantive changes.

REGULAR BUSINESS

AB 5562: Soil Remediation Appropriation Request

Deputy Mayor Salim Nice asked for Council support to change the funding ratio to include water, sewer, and stormwater funds.

It was moved by Nice; seconded by Wong to:

Appropriate \$152,399 for soil remediation at the 9555 Site with approximately 74% from the 2018 General Fund expenditure savings and approximately 26% allocated across the Utility Funds based on budgeted fleet M&O costs in 2019.

Passed 7-0

FOR: 7 (Anderl, Bassett, Bertlin, Nice, Weiker, Wisenteiner, and Wong)

AB 5564: 2018 Year-end Financial Status Report & 2019 Budget Adjustments

Assistant City Manager and Finance Director Chip Corder presented the 2018 Year-End Financial Status Report. He reported on the 2108 General Fund budget to actuals and fund balance of \$1,432,149 due to

surplus savings of one-time reimbursements/refunds from the Department of Labor & Industries and Recology, and budget savings mostly due to position vacancies and unspent budget in contracted services. He noted that staff will return in the fall of 2019 for disposition of the funds.

Director Corder also spoke about real estate excise tax (REET) and noted that it was down 32% from 2017 to 2018. He presented an ordinance to amend the 2019-2020 budget including previously approved, but not formally adopted carryovers and adjustments as well as two new requests for accepting a grant and a rate study carryover.

It was moved by Bassett; seconded by Wong to:

Suspend the City Council Rules of Procedure 6.3, requiring a second reading for an ordinance.

Passed 7-0

FOR: 7 (Anderl, Bassett, Bertlin, Nice, Weiker, Wisenteiner, Wong)

It was moved by Bassett; seconded by Wong to:

Adopt Ordinance No. 19-08, amending the 2019-2020 Budget.

Passed 7-0

FOR: 7 (Anderl, Bassett, Bertlin, Nice, Weiker, Wisenteiner, Wong)

No AB: Continued Discussion on the Mercer Island Transit Interchange

City Manager Underwood explained that this item was added to the agenda to obtain clarity about how the Council wants to move forward with making the decision on the Mercer Island Transit Interchange configuration. Senior Project Manager Kirsten Taylor outlined the next steps for the process for making a decision.

Mayor Bertlin stated that this discussion is to determine the process for deciding on the Improved or Optimal configuration for the Mercer Island Transit Interchange. Following Council discussion:

1. The Council confirmed that staff has received final remaining questions and requests for information from Council regarding bus/rail integration.
2. Mayor Bertlin, Deputy Mayor Nice, and Councilmember Anderl will consult with the City Attorney to determine if any of the questions/requests are outside the scope of the Settlement Agreement, and if so, they will be removed from the list.
3. Staff will send the list of questions to ST/Metro once finalized.
4. Staff will schedule small group meetings for Council with Sound Transit and Metro staff to discuss the list of remaining questions.
5. Council will share what they have learned from the small group meetings at a future Council meeting.
6. The expectation is that staff will bring this back for Council decision no later than June 2019.

OTHER BUSINESS

Councilmember Absences

Mayor Bertlin will be absent June 4 and possibly June 21.

Planning Schedule

City Manager Underwood noted the following:

- The Study Session with the Mercer Island Coalition will be postponed.
- YFS Director Cindy Goodwin will bring back the next phase of the Thrift Shop staffing model changes on June 4.
- A Study Session has been added to June 4 regarding a potential pilot project for short term commuter parking.
- The Interim City Manager recommendation will come back on May 21 or June 4.

Board Appointments

There were no appointments.

Councilmember Reports

Councilmember Bassett spoke about attending the signing of clean energy bills and getting a tour of the Cedar Grove facilities.

Mayor Bertlin spoke about the upcoming ETP meeting presentation regarding water transportation initiatives.

ADJOURNMENT

The Regular Meeting adjourned at 11:02 pm.

Debbie Bertlin, Mayor

Attest:

Allison Spietz, Assistant to the City Manager