



CITY COUNCIL MINUTES REGULAR MEETING NOVEMBER 20, 2018

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 Bruce Bassett, Wendy Weiker (6:39 pm), David Wisenteiner, and Benson Wong were present.

AGENDA APPROVAL

It was moved by Wong; seconded by Wisenteiner to:

Approve the agenda as presented.

Passed 5-0

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

ABSENT: 1 (Weiker)

VACANT: 1 (Position 4)

EXECUTIVE SESSION

Executive Session to discuss with legal counsel pending or potential litigation pursuant to RCW 42.30.110(1)(i) for approximately 60 minutes.

At 6:01 pm, Mayor Bertlin convened the Executive Session to discuss with legal counsel pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 60 minutes.

At 7:04 pm, Mayor Bertlin adjourned the Executive Session.

CITY MANAGER REPORT

City Manager Julie Underwood reported on the following items:

- Mercer Island's Neighbors In Motion arranged for the City to collect 6 free bike racks to repurpose around the Island.
- A member of the Parks staff remodeled the play area at the Community Center.
- Volunteer for a city related program like Neighborhood Watch, Thrift Shop, Meals on Wheels, and more.
- Council vacancy deadline is tomorrow -applications must be received by 5:00pm, November 21.
- City facilities closed for Thanksgiving – Thursday and Friday, November 22–23.
- Community Dance – Saturday, November 24, 7 – 11pm.
- Reception Honoring Rep. Judy Clibborn – Monday, November 26, 5:30-6:30pm.
- Ribbon Cutting Ceremony celebrating successful completion of the SE 40th Street Corridor Project – December 6, at 10am.
- Tree Lighting & Firehouse Munch – Friday, December 7 at 6:30pm.
- Parents Night Out Holiday Party with Santa – Saturday, December 8, 5-10pm.

APPEARANCES

The following owner and residents for/of 7800 Plaza condominiums spoke against changing the Comprehensive Plan, rezoning Parcel 12, and the Tully's project:

- Julie Green, 7800 Plaza
- Gabe Goldberg, 7800 Plaza, supports MICA, parking, but opposed public park

- Willie Mullins, 7800 Plaza
- Jim Schwab, 7800 SE 27th Street, owner

The following people spoke in opposition to the proposed Comp Plan Amendments:

- Mark Hall, 6018 E. Mercer Way, specifically with regards to the proposed "private facilities zone."
- Matt Goldbach, 9580 SE 40th Street, specifically with regards to Amendments 8 and 15.
- Peter Struck, 9130 SE 54th Street, spoke in opposition to Amendments 8 and 15.
- Cheryl D'Ambrosio, 3712 East Mercer Way, specifically with regards to zoning at JCC.
- Mark Coen, 73rd Ave SE, he believes the proposed Comp Plan Amendments violate the Growth Management Act.
- Ryan Rahlfs, 970 SE 40th, specifically with regards to Amendment 8 and encouraged Council to delay a vote on the Comp Plan.

The following people spoke in favor of retaining funding for school counselors:

- Erin & Elliot Vivion, 2278 72nd Ave SE
- Bharat Shyam, 8405 SE 34th Place, he also thanked Council for the work on the Aubrey Davis Park and the MICA project.
- Olivia Stovall, MISD student
- Noah Bernside, MISD student
- Kelly Goodejohn, 4224 94th Ave SE
- Heather Cartwright, 8204 SE 62nd Street
- Sarah Smith, Mercer Island
- Nancy S. 8320 SE 34th Street
- Gwen Loosmore, 6125 79th Ave SE
- Kathy Muffet McDonald, Mercer Island
- Dina Holan, 6121 85th Place SE
- Ralph Jorgenson, Mercer Island
- Diane Barrett Tien, 6110 86th Ave SE

Alec Sidles, Attorney for Bricklin Newman, representing 7800 Plaza and Concerned Neighbors for the Preservation of the Community spoke in opposition to the Comprehensive Plan amendments.

Amy Lavin, 7835 SE 22nd Place, spoke in support of the Comprehensive Plan amendments and its positive impacts on the JCC.

Gary Robinson, 6026 Mercer Way, encouraged Council and the City Manager to focus on bringing people together on the Island. He indicated that the Levy Lid Lift was not about the community, but rather about the Council and the City Manager.

Nicole Kelly, 9821 SE 40th Street, spoke in opposition to Amendment 8 and the adoption of the Comprehensive Plan. She also spoke in support of school counselors and encouraged Council to consider their vote.

Ira Appleman, Mercer Island, reported that Proposition 1 was the first levy lost in 20 years. He went on to outline levy statistics and survey data and encouraged Council to find efficiencies.

Eric Thuau, Head of the French American School, was impressed by the community engagement and applauded the Planning Commission for recommending Amendment 8.

Laura Mousseau, Board Chair at the French American School, urged Council to support Amendment 8.

There being no additional public comments, Mayor Bertlin closed Appearances.

CONSENT CALENDAR

Councilmember Wisenteiner asked to remove AB5501, Comprehensive Plan amendment from the Consent Calendar.

Payables: \$594,684.53 (11/08/2018) & \$58,803.52 (11/15/2018)

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

Payroll: \$799,221.92 (11/09/2018)

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

Minutes: June 19, 2018 Regular Meeting and November 5, 2018 Special Meeting

Recommendation: Adopt the June 19, 2018 Regular Meeting and November 5, 2018 Special Meeting minutes as written.

It was moved by Bassett; seconded by Weiker to:

Approve the Consent Calendar, as amended, and the recommendations contained therein.

Passed 6-0

FOR: 6 (Bassett, Bertlin, Nice, Weiker, Wisenteiner, and Wong)

VACANT: 1 (Position 4)

AB 5501: 2018 Comprehensive Plan Amendments (3rd Reading & Adoption)

Councilmember Wisenteiner made a motion to remove Amendment 8 from the Comprehensive Plan. The motion failed for lack of a second.

It was moved by Bassett; seconded by Wong to:

Adopt Ordinance No. 18-13 with Attachments A and B amending the Comprehensive Plan and Land Use Map.

Passed 5-1

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

AGAINST: 1 (Wisenteiner)

VACANT: 1 (Position 4)

It was moved by Bassett; seconded by Wong to:

Adopt Ordinance No. 18C-14 with Attachment A amending chapter 19.11 MICC and the Mercer Island Zoning Map.

Passed 6-0

FOR: 6 (Bassett, Bertlin, Nice, Weiker, Wisenteiner and Wong)

VACANT: 1 (Position 4)

Mayor Bertlin recessed the meeting at 8:45 pm. The meeting resumed at 8:55 pm.

PUBLIC HEARING

Finance Director/Assistant City Manager Chip Corder briefly introduced AB 5500, 2019-2020 Proposed Budget.

Mayor Bertlin opened the final public hearing for the 2019-2020 Proposed Budget at 8:49 pm.

Meg Lippert, 4052 94th Avenue SE, stated that she was inspired by what she had heard and spoke in support of funding the school counselors.

Tim O'Connell, Utility Board Chair, explained that the costs reflected in the proposed changes are costs that the City is incurring. He noted that the City's sewage is treated by King County and that the County is increasing its rates by 2.5%. The recommendation to increase the rates was a unanimous recommendation from the Utility Board.

Peter Struck, 9130 SE 54th Street, reminded Council of the number of residents that voted no on the levy and encouraged Council to reconsider the fiscal sustainability plan and minimize non-essential employees.

Mike Cero, Mercer Island, reiterated the number of residents that voted no on the levy and encouraged the Council to reduce budget expenditures by 2.5%. He also distributed a 2017 Salary Data report to Council for

consideration.

Jared Lundell, 7474 85th Place SE, explained that he voted yes on the Levy and supports YFS; however, he struggles to understand how the City comes out of this situation without making cuts to YFS.

Janelle Honeycut, 8636 SE 75th Place, encouraged the Council to maintain the YFS counselors.

Erin Gurney, 4550 E Mercer Way, spoke in support of retaining funding for school counselors.

Ira Appleman, Mercer Island, encouraged Council to focus more on tracking staff time and encouraged the Council to increase the City Attorney's budget.

Johan Valentin, 4346 E. Mercer Way, spoke in support of funding school counselors.

There being no additional public comments, Mayor Bertlin closed the public hearing at 9:19 pm.

AB 5500: 2019-2020 Proposed Budget: Finalize Changes and Approve 2019 Resolutions and Property Tax Ordinances

City Attorney Kari Sand reported on the status of the Prevailing Wage Issue and the advisory meeting held on November 9th, explaining that to date, Labor and Industries had not responded to cities regarding the prevailing wage issue.

Parks and Recreation Director Jessi Bon noted that the City will budget for the increase.

Parks and Recreation Director Bon reported that the Luther Burbank Shoreline Improvements mistakenly showed Phase 3 (Swim Beach) as funded. The budget was corrected to include \$55,000 to address that expense.

Information Services Director Mike Kaser responded to questions regarding the Network Communications Infrastructure.

Finance Director Chip Corder reported on the updated REET forecast explaining that the 2018-2024 REET forecast incorporated October 2018 receipts. As a result of the updated REET forecast, he noted that projected fund balances were updated to include a 44/55 split between the Street Fund and Capital Improvement Fund.

Mayor Bertlin explained that in order to amend the budget, Council would follow the same motion procedures as with other matters before Council. The process was outlined as follows:

- Specify the proposed budget amendment by motion. Prior to Council discussion, the motion to amend the budget would require a second.
- Each motion to amend the budget must include a recommended funding source – or offsetting expenditure reduction (budget cut) - and information regarding the timeline for implementation (when within the biennium).
- In order for motions to pass, support from 4 Councilmembers (a majority of the whole Council) would be required.

It was moved by Wisenteiner; seconded by Nice to:

Direct the City Manager to reduce deficit spending by an additional \$1.2M which would leave \$800K in deficit spending within the 2019-2020 biennium and that further reductions shall be based on Guiding Budget Reduction Principles which shall be developed, reviewed, and approved by the Council before the Second Quarter 2019 Financial Status Report and Budget Adjustments.

Passed 5-1

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

AGAINST: 1 (Weiker)

VACANT: 1 (Position #4)

Following the direction from Council on the 2019-2020 Biennium Budget, Mayor Bertlin provided the following guidance to Council and staff:

- The City is at the beginning of defining a “new normal” given the failure of Proposition 1.
- There can be nothing sacred in terms of cuts and measures considered by the Council because the projected deficits in 2021-2022 are significantly greater.
- The Council is committed to providing a path forward for future Councils and beginning the process of transitioning to new lower levels of service. This path will not excuse the current Council from making difficult decisions now.
- The City will use the Financial Sustainability Plan, which will be kicked off on December 18, 2018, to guide the Council and staff in making difficult decisions regarding service levels in 2019-2020.

It was moved by Wong; seconded by Weiker to:

Raise the Utility Tax from 5.3% to 6.1% to fund school counselors for 2019-2020 biennium.

Failed 4-2

AGAINST: 4 (Bassett, Bertlin, Nice, and Wisenteiner)

FOR: 2 (Wong, Weiker)

It was moved by Wong; seconded by Weiker to:

Strike \$55,000 from 2020 Organizational Assessment

FAILED 4-2

AGAINST: 4 (Bassett, Nice, Wisenteiner, Bertlin)

FOR: 2 (Wong, Weiker)

VACANT: 1 (Position #4)

COUNCIL DIRECTION – Council directed City Manager Underwood to meet with the Mercer Island School District Superintendent to discuss a return to an equitable (50-50) funding arrangement of school counselors.

It was moved by Weiker; seconded by Wong to:

Use \$150 from contingency fund to support counselors.

Failed 4-2

AGAINST: 4 (Bassett, Bertlin, Nice, Wisenteiner)

FOR: 2 (Wong, Weiker)

VACANT: 1 (Position #4)

There being no further service reductions that Council wished to consider, Mayor Bertlin recessed the meeting at 10:38 pm.

Mayor Bertlin reconvened the meeting at 11:00 pm and Finance Director Chip Corder introduced the Capital Improvement Program (CIP) Discussion.

It was moved by Bassett; seconded by Nice to:

Adopt the Alternative Budget Proposal with 4% inflation only.

Passed 6-0

FOR: 6 (Bassett, Bertlin, Nice, Weiker, Wisenteiner, Wong)

Vacant: 1 (Position #4)

It was moved by Bassett; seconded by Wong to:

Adopt the \$145,000 Network Communications Infrastructure budget as proposed by staff.

It was moved by Nice; seconded by Wisenteiner to:

Amend the motion to remove the \$21,000 for replacment of fiber between City Hall and Maintenance Building.

Motion to Amend failed 4-2

AGAINST: 4 (Basset, Bertlin, Weiker, and Wong)

FOR: 2 (Nice, Wisenteiner)

VACANT: 1 (Position #4)

It was moved by Nice; seconded by Wisenteiner to:

Remove \$99K for conduit design and \$10K for conduit across 77th Avenue overpass from the \$145K Network Communications Infrastructure budget.

Motion to Amend failed 4-2
AGAINST: 4 (Basset, Bertlin, Wong, and Weiker)
FOR: 2 (Nice, Wisenteiner)
VACANT: 1 (Position #4)

Main Motion Passed 4-2
FOR: 4 (Bassett, Bertlin, Wong, and Weiker)
AGAINST: 2 (Wisenteiner and Nice)
VACANT: 1 (Position #4)

It was moved by Nice; seconded by Wong to:

Reduce the General Fund contribution to the YFS Fund (Thrift Shop Project) by \$137,000 to support a police patrol officer position.

Passed 6-0
FOR: 6 (Bassett, Bertlin, Nice, Weiker, Wisenteiner, and Wong)
VACANT: 1 (Position #4)

It was moved by Wisenteiner; seconded by Bassett to:

1. **Approve Resolution No. 1553, which approves NORCOM's 2019 budget allocation to the City of Mercer Island.**
2. **Approve Resolution No. 1549, which establishes classifications of water users and a schedule of charges for water usage, a schedule of rates for fire service, a schedule of special service charges, meter and service installation charges, and connection charges effective January 1, 2019 and thereafter.**
3. **Approve Resolution No. 1550, which establishes rates and connection charges for sewerage disposal services provided by the City of Mercer Island effective January 1, 2019 and thereafter.**
4. **Approve Resolution No. 1551, which establishes the bi-monthly service charge for storm and surface water services provided by the City of Mercer Island effective January 1, 2019 and thereafter.**
5. **Approve Resolution No. 1552, which establishes the bi-monthly utility fee for the emergency medical and ambulance services supplied by the City of Mercer Island effective January 1, 2019 and thereafter.**
6. **Approve Resolution No. 1555, which adjusts development and construction permit fees effective January 1, 2019 and thereafter.**
7. **Suspend the City Council Rules of Procedure 6.3, requiring a second reading for an ordinance.**
8. **Adopt Ordinance No. 18-16, which establishes the total amount of property taxes to be levied for the year 2019.**
9. **Adopt Ordinance No. 18-17, which identifies the dollar and percent increases of the total property tax levy for the year 2019 relative to the total property tax levy for the year 2018.**

PASSED 6-0
FOR: 6 (Bassett, Bertlin, Nice, Weiker, Wisenteiner, and Wong)
VACANT: 1 (Position #4)

REGULAR BUSINESS

AB 5502: 2019 Comprehensive Plan Amendment Final Docket

It was moved by Wong; seconded by Nice to:

Approve Resolution No. 1554, establishing the 2019 Comprehensive Plan amendment final docket.

Passed 6-0
FOR: 6 (Bertlin, Nice, Bassett, Weiker, Wisenteiner, and Wong)
VACANT: 1 (Position 4)

OTHER BUSINESS

Councilmember Absences

Councilmember Wisenteiner will be absent at the November 26, 2018 Special Meeting.

Planning Schedule

City Manager Underwood reviewed items scheduled for the following Council meetings:

- **November 26 Special Meeting** - Reception for Representative Judy Clibborn, Legislative Priorities Discussion with 41st Delegation, and RFQ finalists regarding the commuter project
- **December 4 Regular Meeting** - Solid Waste Contract discussion
- **December 6 Special Meeting** - Council Position No. 4 Vacancy Interviews
- **December 11 Special Meeting** - Council Position No. 4 Vacancy Appointment
- **December 18 Regular Meeting** - City Manager Review, Councilmember Position No. 4 Swearing In, Fiscal Sustainability Plan, and Board and Commission Committee Recommendations, and 3rd Quarter 2018 Financial Status Report

Board Appointments

Mayor Bertlin reported that the application process for Vacant Council Position No. 4 was scheduled to close on Wednesday, November 21 at 5 p.m.

Councilmember Reports

Councilmember Weiker reported on King County Conservation District's strategic planning efforts.

ADJOURNMENT

The regular Council Meeting adjourned at 11:51 pm.

Debbie Bertlin, Mayor

Attest:

Deborah A. Estrada, City Clerk