



## **CITY COUNCIL MINUTES REGULAR MEETING NOVEMBER 17, 2014**

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### **EXECUTIVE SESSION**

To discuss with legal counsel representing the agency litigation or potential litigation to which the agency is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency pursuant to RCW 42.30.110(1)(i) for approximately 30 minutes

At 5:31 pm, Mayor Bassett convened the Executive Session (noted above) for approximately 25 minutes.

At 5:56 pm, Mayor Bassett extended the Executive Session for 5 additional minutes.

The Executive session adjourned at 6:01 pm.

### **BREAK FOR MI TRANSPORTATION BENEFIT DISTRICT BOARD MEETING**

The Council took a break for a Mercer Island Transportation Improvement District Board Meeting.

### **CALL TO ORDER & ROLL CALL**

Mayor Bruce Bassett called the meeting to order at 7:14 pm in the Council Chambers of City Hall, 9611 SE 36th Street, Mercer Island, Washington.

Councilmembers Debbie Bertlin, Jane Brahm, Mike Cero, Tana Senn, Benson Wong, Deputy Mayor Dan Grausz, and Mayor Bruce Bassett were present.

### **APPEARANCES**

Joe Burcar, with the Department of Ecology, stated that Barbara Nightingale retired and that he would be taking over the City's Shoreline Master Program review. He noted that he is in attendance to provide support for the draft ordinance.

Meg Lippert, 4052 94<sup>th</sup> Ave SE, thanked the Council for sending the letter to the KCLS Board of Trustees regarding putting the MI Library Remodel Project on hold. She hopes that the Board of Trustees will validate and accept the recommendations in the letter. She asked citizens to attend the KCLS Board of Trustees meeting on Wednesday, November 19 at the KCLS Service Center in Issaquah.

Ira Appelman, 4436 Ferncroft Road, spoke about his suggestion at the last meeting that the governing bodies in Mercer Island establish a much closer relationship with the Mercer Island Library to support their policy considerations. He would like the City Council to pay much closer attention to ensuring public support for the library. He spoke about the celebrations of the 800<sup>th</sup> anniversary of the Magna Carta's sealing. He stated that during the Revolutionary War, the Magna Carta was cited as supporting "no taxation without representation." He stated that the KCLS Board is appointed, not elected and once-appointed is unaccountable. KCLS imposes taxes without the approval of anyone. He further spoke about the Federal Way Council getting involved in the proposed move of the KCLS Federal Way library in 2006.

## MINUTES

### Executive Session and Regular Meeting Minutes of October 20, 2014

It was moved by Bertlin; seconded by Brahm to:

**Adopt the Executive Session & Regular Meeting Minutes of October 20, 2014 as written.**

Passed 7-0

FOR: 7 (Bassett, Bertlin, Brahm, Cero, Grausz, Senn, Wong)

## CONSENT CALENDAR

### Payroll: \$683,146.16 (10/31/14)

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

It was moved by Bertlin; seconded by Brahm to:

**Approve the Consent Calendar and the recommendations contained therein**

Passed 7-0

FOR: 7 (Bassett, Bertlin, Brahm, Cero, Grausz, Senn, Wong)

## REGULAR BUSINESS

### AB 5019 Revision to Shoreline Master Program Update (1st Reading)

Development Services Director Scott Greenberg presented an ordinance for first reading which amends the previously adopted code changes for the Shoreline Master Plan Update. He explained that over the course of seven months, City staff and Department of Ecology staff have discussed DOE's required changes to the previously adopted code changes and have come to agreement on all but one issue, limiting dock width in the first 30 feet from Ordinary High Water Mark to 4 feet, with 5 feet allowed for community docks and single family docks, where ADA access is required. He presented a new approach to the issue using a menu of incentives to allow five-foot dock width.

The Council talked through each of the issues regarding the existing overwater structures, dock width, ADA compliance, and the proposed incentive table.

It was moved by Senn; seconded by Brahm to:

**Authorize staff to transmit draft Ordinance No. 15C-02 as revised, revisions to the Shoreline Master Program Update, to the Department of Ecology.**

Passed 7-0

FOR: 7 (Bassett, Bertlin, Brahm, Cero, Grausz, Senn, Wong)

### AB 5021 2015-2016 Preliminary Budget Review: Finalize Budget Changes and Adopt Tax and Fee Ordinances and Resolutions

Finance Director Chip Corder provided information to the Council in order to finalize changes to the 2015-2016 Preliminary Budget, as well as tax and fee ordinances and resolutions to be adopted.

Mayor Bassett opened the public hearing at 8:17 pm. There being no comments, the Mayor closed the hearing.

Director Corder reviewed changes to the General Fund & YFS Fund, Water Fund, Street Fund, and Capital Improvement Fund.

The Council discussed and agreed to adjust development and construction permit fees beginning 1/1/2015.

It was moved by Cero; seconded by Brahm to:

**Pass Resolution No. 1491, which adjusts development and construction permit fees effective January 1, 2015 and thereafter.**

Passed 6-1  
FOR: 6 (Bassett, Bertlin, Brahm, Cero, Senn, Wong)  
AGAINST: 1 (Grausz)

It was moved by Cero; seconded by Bertlin to:

**Pass Resolution No. 1490, which approves NORCOM's 2015 budget allocation to the City of Mercer Island.**

Passed 7-0  
FOR: 7 (Bassett, Bertlin, Brahm, Cero, Grausz, Senn, Wong)

The Council discussed and agreed to increase General Fund support of the YFS fund from \$300K to \$350K (will be funded by property tax "new construction," which is greater than originally projected; also reduces 2016 projected deficit from -\$260K to -\$160K in the YFS fund).

Director Corder presented the costs for the action plan items from the recent Water Advisory Event. He proposed increasing the water utility revenues by an additional \$250K to \$550K to address the action plan items.

Utility Board Chair Ben Levy spoke to the Council about the Utility Board's review of the Water Advisory Event report from Confluence. He noted that the Utility Board spent time listening to Confluence's recommendations and unanimously endorsed the additional \$550K increase in water utility revenues to address the action plan items at their November 13, 2014 meeting.

Director Corder explained the impact of the proposed rate increases to the average single-family bi-monthly bill. The Council discussed and agreed to increase the water utility revenues by an additional \$250K to \$550K to address the action plan items.

It was moved by Brahm; seconded by Bertlin to:

**Pass Resolution No. 1492 (alternate version), 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, 2015 and thereafter.**

Passed 5-2  
FOR: 5 (Bassett, Bertlin, Brahm, Senn, Wong)  
AGAINST: 2 (Cero, Grausz)

It was moved by Bertlin; seconded by Senn to:

**Pass Resolution No. 1493, which establishes rates and connection charges for sewerage disposal services supplied by the City of Mercer Island effective January 1, 2015 and thereafter.**

Passed 7-0  
FOR: 7 (Bassett, Bertlin, Brahm, Cero, Grausz, Senn, Wong)

It was moved by Bertlin; seconded by Brahm to:

**Pass Resolution No. 1494, which establishes the bi-monthly service charge for storm and surface water services supplied by the City of Mercer Island effective January 1, 2015 and thereafter.**

Passed 7-0  
FOR: 7 (Bassett, Bertlin, Brahm, Cero, Grausz, Senn, Wong)

It was moved by Bertlin; seconded by Wong to:

**Pass Resolution No. 1495, which establishes the bi-monthly utility fee for the emergency medical and ambulance services supplied by the City of Mercer Island effective January 1, 2015 and thereafter.**

Passed 7-0  
FOR: 7 (Bassett, Bertlin, Brahm, Cero, Grausz, Senn, Wong)

Director Corder presented using banked capacity for one or more of the following funding needs: YFS Fund deficit in 2016 (-\$160K), LEOFF I Long Term Care costs (funded thru 2028), Street Fund (\$150K per year), Capital Improvement Fund (\$200-\$300K per year), MICEC technology & equipment (\$40K per year), Town Center improvements and/or economic development. He stated that Staff's recommendation is to use \$80K to eliminate YFS Fund deficit in 2016 and use \$65K to fund LEOFF I Long Term Care costs. The Council discussed and agreed to take the City's remaining banked capacity (\$144,960 – revised estimate), but wait until the 2015 Planning Session to determine its use.

It was moved by Bertlin; seconded by Brahm to:

**Adopt alternate Ordinance No. 14-13, which appropriates funds and fixes the amount of property taxes to be levied for the year 2015.**

Passed 6-1

FOR: 6 (Bassett, Bertlin, Brahm, Grausz, Senn, Wong)

AGAINST: 1 (Cero)

It was moved by Brahm; seconded by Grausz to:

**Adopt alternate Ordinance No. 14-14, which identifies the dollar amount and percentage increases of the regular property tax levy and the levy lid lift for the year 2015.**

Passed 6-1

FOR: 6 (Bassett, Bertlin, Brahm, Grausz, Senn, Wong)

AGAINST: 1 (Cero)

Director Corder asked for the Council's confirmation on staff's recommendation to move the SE 40<sup>th</sup> Street Corridor (East of ICW) project from funded to unfunded status in 2018 (\$759K) to help balance the Street Fund in 2015-2020. He also teed up the Mayor and Deputy Mayor's proposal to set aside \$150K (placeholder) per year for transit funding. Director Corder recommended that the Council make \$900K in project cuts or delays in the six-year plan if they added \$150K per year for transit funding in 2015-2020. Following discussion, the Council decided to move forward with both changes to the Street Fund, but no additional project cuts or delays were identified to try to balance the Street Fund beyond 2017.

Director Corder presented a change to the Capital Improvement Fund to create a dedicated Emergency Operations Center space at City Hall. Staff presented two options: (1) convert a 1,090 sf space for \$138K; or (2) convert and create a 1,900 sf space for \$242K and identified \$129K in funding that could be re-directed to this project (\$38K in REET dedicated to Police Car Port, \$35K in Document Management project savings, \$26K in Financial System project savings, and \$30K in Luther Burbank Admin Building project savings). The Council agreed to move forward with Option 1 and the proposed funding sources.

Director Corder reviewed the alternate cuts and delays to reducing Open Space Vegetation Management by \$50K/year in 2015-2016 in the Capital Improvement Fund:

- Pushing \$32K in City Hall Repairs (exterior painting) from 2017 to 2018
- Pushing \$30K in North Fire Station Repairs (carpet) from 2017 to 2018
- Reducing North Fire Station Repairs (washers & dryers) by \$10K in 2017
- Funding \$25K of playground equipment in Mercedale Park in 2018 with private contributions

The Council discussed the proposed cuts and delays and decided to restore \$25K/year to Open Space Vegetation Management in 2015-2016, thereby reducing the annual cut to \$25K per year. Director Corder also alerted the Council to the fact that the Capital Improvement Fund is projected to go significantly negative in 2017 unless: 1) additional project cuts or delays are made, or 2) the \$352K balance in the Capital Reserve Fund is transferred into the Capital Improvement Fund, assuming that staff doesn't need to use any portion of the \$352K balance for the Fire Station 92 Construction project. Staff will return to Council with how the cuts will impact the Open Space Vegetation Management program.

## **OTHER BUSINESS**

### **Councilmember Absences**

There were no absences.

### **Planning Schedule**

City Manager Treat spoke about the upcoming open house on new commuter parking options at the Community Center from 5:00-7:00 pm and the KCLS Board of Trustees meeting at the Issaquah Service Center at 5:00 pm, both of which are on November 19.

### **Board Appointments**

There were no appointments.

**Councilmember Reports**

Councilmember Wong spoke about the 18<sup>th</sup> Annual King County Mental Health and Substance Abuse Legislative Forum and the quarterly meeting of the Regional Transit-Oriented Advisory Council.

Councilmember Senn spoke about the Yes on 594 election night party and the tribute to the Sandy Hook students at Pioneer Park.

Deputy Mayor Grausz spoke about SCA items for discussion as part of the City's legislative agenda. He also noted that the School District has decided to participate in a community solar project and have agreed to replace the roof on which the solar panels will be located.

Councilmember Brahm spoke about the Solarize meeting with the School District and the Arts Council meeting.

She noted there is a new holiday art show at the MICEC gallery and that 25% of the sales go to the City.

Councilmember Cero noted that the Eastside Transportation Partnership legislative agenda is still being revised.

Mayor Bassett spoke about a meeting with King County Metro regarding the Mercer Island bus routes that were eliminated.

**ADJOURNMENT**

The Regular Meeting adjourned at 10:55 pm.

Attest:

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Bruce Bassett, Mayor

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Allison Spietz, City Clerk