

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

November 13, 2007  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Degginger, Deputy Mayor Chelminiak, and Councilmembers Balducci, Davidson, Lee, Marshall, and Noble

ABSENT: None.

1. Executive Session

Deputy Mayor Chelminiak called the meeting to order at 6:00 p.m. and announced recess to Executive Session for 30-40 minutes to discuss one item of potential litigation and one item of labor negotiations.

The meeting resumed at 6:55 p.m., with Mayor Degginger presiding.

2. Oral Communications

- (a) David Plummer noted his letter to Councilmembers in the meeting materials regarding implementation planning for the Bel-Red Corridor. He is concerned that the schedule is too compressed, even through the winter holidays, to allow for adequate planning. He asked Council to extend the schedule by one year. Mr. Plummer noted the rejection by voters of the roads and transit initiative. He suggested that the Light Rail Best Practices Committee should be suspended at this time to allow Sound Transit, the state legislature, and regional entities to determine a course of action.

3. Study Session

- (a) Council Business and New Initiatives

Councilmember Davidson said he also has concerns about the aggressive schedule for the Bel-Red Corridor implementation project. He noted that the Environmental Services Commission needs to evaluate and discuss a number of issues. He asked staff to provide a written response on this concern.

City Manager Steve Sarkozy recapped that the City Council has directed four Boards and Commissions to review the study and proposed implementation plans. Review by the City Council is tentatively scheduled for next spring. Mr. Sarkozy noted that the Steering Committee has been studying the area for more than two years.

Councilmember Lee concurred with Dr. Davidson's concerns and stated the importance of providing adequate information to the public.

Mr. Sarkozy clarified that the City Council will consider recommendations from the Boards and Commissions and make decisions at its own pace.

Mayor Degginger noted that Board and Commission members serve on the Bel-Red Steering Committee.

(b) Long-Range Strategic Planning Workshop

City Manager Steve Sarkozy explained that tonight's workshop is part of an ongoing long-range financial planning effort. The overall objective is to provide a sustainable financial model for the long-term delivery of municipal services and to provide the appropriate level of capital investments as determined by the Council.

Finance Director Jan Hawn briefly reviewed the overall process of Council discussions and workshops that began in April of this year. A discussion of Bel-Red financial strategies is scheduled for December, as well as approval of the Mid-Biennium Budget and Supplemental Capital Investment Program (CIP) Plan. Discussion of a parks voter initiative is scheduled for February 2008, and Council's long-range financial planning discussions will continue through the first quarter of 2008.

During the October 8 workshop, Council and staff reviewed best practices, the General Fund baseline forecast, Public Safety and Transportation service assessments, and the impact of the forecast on department service assessments. The 2009 General Fund surplus of \$3 million increases to \$7.6 million by 2014, assuming the current mix of revenues and service levels.

Planning and Community Development Director Matt Terry reviewed the department's key services, excluding development-related services, as follows: 1) Building review and inspection, 2) Land Use, 3) Code compliance, 4) Comprehensive planning, 5) Community development, 6) Neighborhood and community outreach, and 7) Housing. Key comprehensive planning activities include Bel-Red corridor planning, light rail best practices work, Meydenbauer Bay master planning, utilities substation sitings and expansions, and neighborhood character initiatives.

Mr. Terry said key ongoing initiatives are the Bel-Red redevelopment plan, light rail best practices work, Meydenbauer Bay master plan, updating the Utilities Element of the Comprehensive Plan, and neighborhood redevelopment. New initiatives for 2008 include a review of an amenity incentive system for downtown development, capital financing strategies,

continued light rail and transit planning, a land use review of the Eastgate corridor and consideration of annexation, and updating the Bel-Red Overlake Transportation Study (BROTS). Mr. Terry noted additional activities related to public art and enhancing the Pedestrian Corridor (NE 6<sup>th</sup> Street). He reported that 90 percent of respondents to a citizen survey consider their neighborhood to be a good or excellent place to live. Seven out of 10 respondents are satisfied with the job the City is doing in planning for the future.

Mr. Terry explained that key drivers in terms of Comprehensive Plan and land use staffing needs are continued regional growth, increasing urbanization, aging commercial areas, and light rail/transit planning. He noted that staffing needs are directly tied to initiatives directed to staff by the City Council.

Mr. Terry said the community is becoming increasingly ethnically and racially diverse while also experiencing significant growth in population and downtown development. Residential development will remain strong in the downtown, and redevelopment of the Bel-Red Corridor could add 5,000 new housing units by 2030. Enhanced staffing will be needed to sustain current neighborhood outreach activities and overall services.

Mr. Terry explained that the Code Compliance service delivery model includes two major components: 1) Proactive Code enforcement (e.g., life and safety issues, Sign Code enforcement), and 2) Neighborhood and community livability (e.g., noise, property maintenance). Code compliance demands increase with population growth, an aging population, aging housing structures, and environmental constraints. It will be necessary to increase staffing levels over the next six years to maintain service levels and environmental standards.

Mr. Terry reviewed the need for four new staff in the short term (2009-2014), two new mid-term positions (2015-2020), and two additional positions in the long term (2021-2027).

Responding to Councilmember Davidson, Mr. Terry said the PCD Department has 125 employees, two-thirds of which are in Development Services.

Councilmember Lee encouraged the department to emphasize environmental sustainability as it relates to development.

Responding to Deputy Mayor Chelminiak, Mr. Terry concurred regarding the importance of the public art program. The Cultural Compass plan includes the objective of working with the community to create sustainable arts funding.

Parks and Community Services Director Patrick Foran briefly reviewed the department's primary services including creating and maintaining the park system, providing and maintaining park facilities, and working with human services providers. Bellevue parks are rated highly in terms of visitation rates, overall satisfaction, appearance, safety, and the range of activities provided. Mr. Foran explained that drivers for parks staffing needs are increased use of the park system, increased costs to maintain an aging park system, the need to build and operate new park uses with increasing urbanization, and the implementation of environmental stewardship options.

Community Services drivers are an increasing demand for recreation programs and facilities, expansion of the Wrap-Around Services program, increasing human services needs, expansion of community events and cultural diversity programs, and continued probation supervision services for a growing population.

Mr. Foran said the response to these issues and challenges will be to ensure relevancy and effectiveness in service delivery, increase partnerships and regional coordination, create well-planned parks and facilities that can anticipate future needs, and redevelop existing facilities.

Mr. Foran reviewed the need for 8 to 11 new staff positions in the short term, four positions for the mid term, and one position (Probation Officer) in the long term. Short-term staffing needs emphasize the objective of expanding partnerships with other community organizations.

Councilmember Lee encouraged an emphasis on identifying and working to meet the needs of the increasingly diverse population.

Councilmember Balducci expressed support for updating the City's Cultural Diversity Plan. Responding to Ms. Balducci, Mr. Foran provided additional details regarding projected staffing needs.

Deputy Mayor Chelminiak concurred with the importance of updating the Cultural Diversity Plan. He suggested close coordination between the department's diversity program and PCD's neighborhood outreach activities.

Mayor Degginger commended the high level of volunteer participation within the parks department and expressed support for increased partnerships.

Councilmember Marshall described her ongoing request for a centralized tool on the City's web site to publicize volunteer opportunities and enable citizens to apply. Mr. Sarkozy commented on the challenge of identifying and cataloging volunteer needs throughout City functions. Citizens currently talk to a department of interest to inquire about volunteer opportunities. Mr. Sarkozy noted that the Volunteer Initiative is underway.

Finance Director Jan Hawn opened discussion regarding the potential impact of the service assessment on the financial forecast. Total staffing estimates for Fire, Police, Transportation, PCD, and Parks reflect 82 new positions in the short term (through 2014), 36 positions in the mid term (2015-2020), and 38 more positions in the long term (2021-2027). This does not include corresponding additions to administrative support departments.

Ms. Hawn noted that there has been a 21 percent increase in the number of employees since 1988. If the projected 156 FTE positions are added through 2027, this will reflect a 17 percent increase in the number of employees. Measured on an employee to 1,000 population basis, staff estimates that there will be 7.4 FTEs per 1,000 residential population in 2008. Projected population and staff growth are anticipated to result in 7.7 FTEs per 1,000 population in 2027. The \$3 million surplus in 2009 is projected to increase to a surplus of \$7.6 million in 2014.

Staff responded to brief questions of clarification.

Utilities Director Denny Vidmar reviewed the Utilities Department's services including capital planning and implementation, development services, customer service and billing, environmental protection and regulatory compliance, emergency management, and operations and maintenance of utilities facilities. He noted that infrastructure life cycle and maintenance is the major focus of the department. The department has strong short- and long-term capital and financial plans to ensure the repair and replacement of facilities. Preventive maintenance is key in minimizing life cycle costs and maintaining service levels. Mr. Vidmar noted that increased maintenance resources are needed throughout the next 20 years.

Mr. Vidmar reviewed Utilities staffing estimates reflecting nine new positions through 2014, nine positions to be added from 2015 to 2020, and 12 more positions from 2021 to 2027. He reiterated that aging infrastructure is the major driver of staffing needs. Corrective and preventive maintenance is needed to reduce failures, minimize life cycle costs, and maintain service levels.

Mr. Vidmar responded to brief questions of clarification.

At 8:36 p.m., Mayor Degginger declared a break. The meeting resumed at 8:45 p.m.

Ms. Hawn moved to a discussion of the City's major capital plans and investments, as well as the gap between currently available resources and projected capital costs.

Mr. Terry explained that capital planning is guided by the Comprehensive Plan, which guides growth and development in Bellevue and directs the orderly and coordinated physical development of infrastructure. Key elements of the Comprehensive Plan are Land Use, Housing, Capital Facilities, Utilities, Transportation, Parks and Recreation, and Subarea Plans. The goals of the Capital Facilities Element are to address deficiencies and anticipate growth needs, achieve acceptable levels of service, use fiscal resources efficiently, and meet realistic timelines.

Mr. Terry reviewed the capital planning process outlined in the state Growth Management Act, which involves the identification of functional plans to meet specific needs. Examples of such plans include the Parks and Open Space System Plan and the Transportation Facilities Plan. Bellevue started developing functional plans in the late 1970s, and implementation of the plans is dependent upon capital investments.

Transportation Director Goran Sparrman reviewed the transportation programming process, major capital investments, and projects within the Transportation Improvement Program (2008-2013) and the Transportation Facility Plan (2006-2017).

Mr. Foran explained that the last update to the Parks and Open Space System Plan was adopted by Council in September 2003. The plan identifies short- and long-term capital needs and assumes that City capital funding will be supplemented with regular voter initiatives and external funding. Mr. Foran reviewed major capital investments in the plan through 2027.

Ms. Hawn reviewed a list of additional capital investments including implementation of the Bellevue Mobility and Environmental Stewardship Initiatives, development of a downtown fire station, neighborhood sidewalks, court and jail facilities, the NE 4<sup>th</sup> Street extension, cultural and recreational facilities, and environmental requirements. The 2007-2013 General Capital Investment Program (CIP) Plan totals \$290 million. Council allocated an additional \$14 million in 2007 with the Supplemental CIP Plan.

Ms. Hawn provided the capital financial forecast which continues the funding of CIP project maintenance and operations expenses and includes updated City Hall debt service draws on CIP tax revenues. Expenditure forecasts assume continued funding of projects and programs in the 2007-2013 plan. The forecast reflects higher construction and major maintenance costs due to inflation.

Ms. Hawn reviewed baseline, low growth, and high growth capital financial forecast scenarios through 2027. Under the baseline scenario, several adopted capital plans are not funded and many emerging priorities (e.g., Bel-Red Corridor infrastructure) are not yet included within current capital plans. Resource timing does not match project timing. Ms. Hawn summarized that capital needs are greater than what the current financial resources can sustain.

Staff responded to questions of clarification.

Mr. Vidmar reviewed utilities capital investments including two major sewer lines and a pump station to support downtown growth in the short term (2009-2014). Mid-term (2015-2020) investments include an overall increase in renewal and replacement spending as well as increased reservoir storage and regional supply inlet capacity. Mr. Vidmar said utilities capital projects are funded by connection charges and utility rates.

Mr. Terry reviewed the process for developing an overall funding strategy for capital projects that will be needed with redevelopment of the Bel-Red corridor. Staff is working to develop a conceptual approach to financial responsibilities, evaluate a spectrum of available tools, and to review case studies of similar redevelopment projects. Alternative financing packages will be identified and evaluated through early 2008, with the continued involvement of stakeholders and the public. A preferred financing alternative will be selected next spring.

Mr. Sarkozy concluded the presentation, noting that demands placed on City services will continue to increase as the community grows. The major challenges for long-range financial planning are: 1) How can we sustain our high level of citizen satisfaction and continue Bellevue's legacy of sound financial stewardship? and 2) How can we finance our existing capital priorities, emerging capital priorities, and current infrastructure in an economically sustainable way?

Mr. Sarkozy noted the following upcoming discussions:

- December 3 – Bel-Red Financial Strategy
- December – Supplemental CIP allocations

- February 2008 – Continued discussion regarding parks voter initiative, and
- 1<sup>st</sup> Quarter 2008 – Continued discussion of long-range financial planning.

Councilmember Lee thanked staff for the presentation and their work on long-range financial planning. He identified his top priorities as downtown mobility and public safety.

4. Executive Session

At 9:30 p.m., Mayor Degginger declared recess to Executive Session for approximately 30 minutes to discuss one item of pending litigation, two items of potential litigation, and one item of property acquisition.

The Executive Session ended at 10:05 p.m., and Mayor Degginger declared the meeting adjourned.

Myrna L. Basich  
City Clerk

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