

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Regular Session

December 6, 2004  
8:00 p.m.

Council Chambers  
Bellevue, Washington

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

ABSENT: Councilmember Lee

1. Call to Order

The meeting was called to order at 8:08 p.m. by Mayor Marshall, who presided.

2. Roll Call, Flag Salute

Upon roll call by the City Clerk, all Councilmembers except Mr. Lee were present. Mr. Chelminiak led the flag salute.

3. Communications: Written and Oral

- (a) Marcia McGhee noted her two previous visits to Council meetings to discuss her rape and assault, which was the subject of a civil settlement. She is frustrated with the lack of assistance she is receiving from Bellevue Police.
- (b) Leslie Schofield offered her rebuttal to Utilities Director Brad Miyake's December 6 management brief regarding her \$10,000 water utility bill. She feels sure her meter was malfunctioning in February when it was read by City personnel. She noticed and repaired the leak in early March, when she received her February bill. However, the City did not notify her of high water usage until April.
- (c) Victor Amira, President of Ashley House Condominiums Homeowners Association, expressed opposition to Puget Sound Energy's proposed expansion of the Lochleven electrical substation.
- (d) Rich Wagner submitted proposed language for Comprehensive Plan utilities policies in writing and discussed his concerns about expanding electrical substation capacity in residential neighborhoods.

- (e) Ron Smith, Kemper Development Company, encouraged Council approval of Resolution Nos. 7119 and 7120 [Agenda Items 11(a), (1) and (2)] regarding the Lincoln Square pedestrian bridge.
- (f) Craig Christensen, Issaquah School District, requested Council support of Agenda Item 11(d) regarding Issaquah School District's proposed impact fees.

4. Reports of Community Councils, Boards and Commissions: None.

5. Report of the City Manager

[Occurred during Study Session earlier in the evening.]

6. Council Business

[Occurred during Study Session earlier in the evening.]

7. Approval of the Agenda

➡ Deputy Mayor Noble moved to approve the agenda, and Ms. Balducci seconded the motion.

➡ The motion to approve the agenda carried by a vote of 5-0, with Mr. Chelminiak momentarily absent from the table.

8. Consent Calendar

➡ Mr. Noble moved to approve the Consent Calendar, and Ms. Balducci seconded the motion.

➡ The motion to approve the Consent Calendar carried by a vote of 5-0, and the following items were approved:

- (a) Minutes of November 8, 2004 Extended Study Session  
Minutes of November 15, 2004 Study Session  
Minutes of November 15, 2004 Regular Session  
Minutes of November 22, 2004 Extended Study Session
- (b) Resolution No. 7109 adopting the State Legislative Agenda and State Legislative Statement of Policy for the 2005 legislative session. *(Discussed with Council during November 22, 2004 Regional Issues agenda item.)*
- (c) Resolution No. 7110 authorizing execution of a second amendment to the interlocal agreement with Yakima County for the housing of Bellevue inmates in the Yakima County Jail. *(Discussed with Council during November 22, 2004*

*Regional Issues agenda item.)*

- (d) Resolution No. 7111 authorizing extension of Fire Protection Services Agreement with the cities of Clyde Hill, Medina and Newcastle, and the towns of Beaux Arts Village, Hunts Point and Yarrow Point. *(Discussed with Council during November 22, 2004 Regional Issues agenda item.)*
- (e) Motion to approve payment of claims for the period of November 13 through December 3, 2004, and payroll for the period November 1 through November 15, 2004.
- (f) Resolution No. 7112 authorizing execution of a purchasing contract with Braun Northwest, Inc., in the amount of \$190,400 for the design, construction, and delivery of a critical response (MCI) vehicle for the Fire Department, utilizing sub-grant funds previously granted by King County and accepted by the City Council. *(Ordinance No. 5543 adopted by Council on September 7, 2004, approved acceptance of Homeland Security Grant.)*
- (g) Resolution No. 7113 authorizing execution of an agreement with Lawton Project Management Group in the amount of \$74,000 for relocation management services for the New City Hall project.
- (h) Resolution No. 7114 authorizing execution of a contract with Environmental Control, not to exceed \$52,512, for custodial services at the Leavitt Building.
- (i) Resolution No. 7115 authorizing execution of a contract with AtWork, not to exceed \$84,250.92, for custodial services at City Hall.
- (j) Resolution No. 7116 authorizing permanent easements to Puget Sound Energy for the installation, operation and maintenance of electrical power transmission and distribution systems and gas lines for the Lewis Creek Park and South Bellevue Community Center projects.
- (k) International Building Code
  - (1) Ordinance No. 5571 authorizing amendment to the Land Use Code to update building code references; amending various Sections of 20.20 and 20.25.A, and establishing an effective date.
  - (2) Ordinance No. 5572 authorizing amendment to the Bellevue City Code to correct inadvertent errors; amending various Sections of 23.05 and 23.10, and establishing an effective date.
- (l) Resolution No. 7117 authorizing execution of an agreement with King County and Sound Transit in the amount of \$66,313 for the purchase and distribution of 2005 FlexPasses to City of Bellevue employees.

- (m) Motion to award Bid No. 0449 to Road Construction NW, Inc., as low bidder in the amount of \$398,106.50, for the construction of 110<sup>th</sup> Avenue NE roadway improvements between NE 4<sup>th</sup> Street and NE 6<sup>th</sup> Street, Phase 1. (CIP Plan No. PW-R-139)
- (n) Resolution No. 7118 authorizing execution of an Amendment to the Agreement for Professional Services with Stafford Frey Cooper for a total contract amount not to exceed \$150,000 to provide legal representation of the City in the lawsuit of Martinez-Mendez v. City of Bellevue et al, USDC No. CV4-1742Z.

9. Public Hearings: None.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions

(a) Lincoln Square Pedestrian Bridge

- (1) Resolution No. 7119 approving the Pedestrian Bridge location, design plan, and findings that the proposal satisfies the public benefit test set forth in LUC 20.25A.130.C and the development standards of LUC 20.25A.130.D and is consistent with the Comprehensive Plan.

City Manager Steve Sarkozy recalled previous discussions with Council regarding the location and design of the proposed pedestrian bridge associated with the Lincoln Square project.

Lori Riordan, City Attorney, noted recent negotiations regarding the amount of compensation to be paid to Lincoln Square if the City initiates an early termination of the pedestrian bridge permit for a public purpose. The result of negotiations is a proposal that the City will reimburse the permittee the cost of the bridge construction (approximately \$1,055,000) if the City terminates the permit within 15 years of inception. If the City terminates the permit in years 16 through 30, the amount of reimbursement will be based on a depreciation schedule in which no compensation will be paid if the permit is terminated for a public purpose after 30 years.

Ms. Riordan said the proposed permit and agreement will have one more revision to Section 9, Successors and Assigns, based on discussions between the permittee and its lender. The City will be required to approve any assignment by the permittee to other entities. This protects against any interference with the City's right to terminate for a public purpose. Staff recommends approval of the revised permit and agreement.

➡ Deputy Mayor Noble moved to approve Resolution No. 7119 approving the design, location, and public benefit of the Lincoln Square pedestrian bridge. Dr. Davidson seconded the motion.

➡ The motion to approve Resolution No. 7119 carried by a vote of 6-0.

- (2) Resolution No. 7120 authorizing execution of a Permit and Agreement with LS Retail, LLC, for use of airspace and right-of-way for construction and operation of a pedestrian bridge spanning Bellevue Way NE between NE 8<sup>th</sup> and NE 6<sup>th</sup> Streets, and authorizing execution of amendments to that Permit and Agreement for purposes of adjustments to the annual permit fee. *(Discussed with Council on November 22, 2004.)*

Ms. Riordan noted the revised permit and agreement is included in Council's desk packet. She responded to questions of clarification from Councilmembers.

- ➡ Deputy Mayor Noble moved to approve Resolution No. 7120 in substantially the form that appears in Council's desk packet. Mayor Marshall seconded the motion.
- ➡ The motion to approve Resolution No. 7120 in substantially the form that appears in Council's desk packet carried by a vote of 6-0.

Mayor Marshall thanked City staff and Kemper Development Company representatives for working together in negotiations.

- (b) Resolution No. 7107 to continue consideration of certain amendments to the Comprehensive Plan outside of the 2004 or 2005 annual amendment process in order to protect neighborhoods and to provide a hierarchy for siting or expanding electrical substation facilities while preserving Puget Sound Energy's ability to meet demands for electrical service, and directing the Planning Commission to hold a public hearing on the proposed amendments. *(Action postponed from November 29, 2004 Special Meeting.)*

Planning Director Dan Stroh requested Council direction for staff to continue processing a Comprehensive Plan amendment (CPA), outside of the annual amendment process, that would protect single-family and multifamily residential neighborhoods from incompatible electrical substation expansion needed to serve the downtown or other commercial areas. If approved, staff will continue processing the CPA in 2005 with the involvement of Puget Sound Energy and residents.

- ➡ Deputy Mayor Noble moved to approve Resolution No. 7107, and Dr. Davidson seconded the motion.
- ➡ The motion to approve Resolution No. 7107 carried by a vote of 6-0.

- (c) 2005-2006 Operating Budget and 2005-2011 Capital Investment Program Plan

Mr. Sarkozy suggested voting on Ordinance No. 5578 first, which was originally listed in the agenda as item 11(c)(6).

- (1) Ordinance No. 5578 relating to the utility occupation tax; amending Section 4.10.030 of Bellevue City Code and Section 3 of Ordinance No. 4841; adding a new Section 4.10.053 to Bellevue City Code.

Mr. Sarkozy referred Council to page 11-85 of the packet for materials regarding Ordinance No. 5578 approving utility rates and taxes. He explained that a utility tax increase is necessary in order to meet the City's long-term financial needs and maintain program and service levels.

- Deputy Mayor Noble moved to amend the agenda to consider Ordinance No. 5578 out of its original agenda order. Mr. Chelminiak seconded the motion.

Responding to Mayor Marshall, City Clerk Myrna Basich confirmed that this agenda order is reflected in the Revised Agenda issued today.

- The motion to amend the agenda to consider Ordinance No. 5578 out of its original agenda order carried by a vote of 6-0.
- Deputy Mayor Noble moved to adopt Ordinance No. 5578, and Mayor Marshall seconded the motion.

Dr. Davidson said the utility tax rate change from 4.5 to 5 percent represents an 11 percent increase in the tax. He is opposed to the tax increase.

Mayor Marshall confirmed Council's reluctance to increase utility taxes and reminded everyone that property taxes in Bellevue have not been increased for many years. Noting Dr. Davidson's support of budget expenditures, she questioned his lack of support for this revenue enhancement. Dr. Davidson said he will comment more fully during Agenda Item 11(c)8.

Mr. Chelminiak said the utility tax increase will result in an additional \$1.18 per month for an average household.

Deputy Mayor Noble noted extensive budget discussions during the past year focused on controlling expenditures and avoiding tax increases. Council ultimately was unwilling to make the level of cuts in programs and staffing that would have been necessary to balance the budget and reluctantly agreed to a utility tax increase. Mr. Noble said the proposed utility tax rate is still lower than most of Bellevue's neighboring jurisdictions.

Mr. Degginger feels Council has been diligent in its review of the budget. The current budget contains six fewer FTE (full-time equivalent) positions than the prior budget. The utility tax increase is necessary to address a structural weakness in the City's revenue stream and to enhance long-term fiscal management.

Ms. Balducci commented that most correspondence to Council indicates community support for the budget. She noted the challenge of increasing health care, pension, and workers compensation costs as well as costs associated with the redevelopment of the New City Hall.

- The motion to adopt Ordinance No. 5578 carried by a vote of 5-1, with Dr. Davidson dissenting.

- (2) Ordinance No. 5573 establishing revised charges for water service, water consumption, and water service for fire protection, and repealing Ordinance No. 5421.

Mr. Sarkozy noted that the proposed increase in water rates of 3.7 percent over two years is below the rate of inflation.

- Deputy Mayor Noble moved to adopt Ordinance No. 5573, and Mr. Degginger seconded the motion.

- The motion to adopt Ordinance No. 5573 carried by a vote of 6-0.

- (3) Ordinance No. 5574 establishing revised sewerage service charges, and repealing Ordinance No. 5422.

Mr. Sarkozy said the proposed sewerage service charges reflect increases by King County/Metro. The rates have been reviewed by the Environmental Services Commission, which recommends approval.

- Deputy Mayor Noble moved to adopt Ordinance No. 5574, and Mayor Marshall seconded the motion.

- The motion to adopt Ordinance No. 5574 carried by a vote of 6-0.

- (4) Ordinance No. 5575 establishing revised Storm and Surface Water drainage rates and charges, and repealing Ordinance No. 5423.

Mr. Sarkozy said the proposed rates are necessary to fund the Coal Creek settlement and to obtain federal permits for stormwater discharge. The rates represent increases of approximately \$1.08 per month in 2005 and 88 cents per month in 2006 for the average single-family residence.

- Deputy Mayor Noble moved to adopt Ordinance No. 5575, and Mayor Marshall seconded the motion.

- The motion to adopt Ordinance No. 5575 carried by a vote of 6-0.

- (5) Ordinance No. 5576 adopting the Human Services Commission's 2005-2006 Human Services funding recommendations and authorizing the City Manager to enter into contracts with local human services agencies in accordance with the recommendations.

- Deputy Mayor Noble moved to adopt Ordinance No. 5576, and Ms. Balducci seconded the motion.

- The motion to adopt Ordinance No. 5576 carried by a vote of 6-0.
  - (6) Ordinance No. 5577 amending Bellevue City Code Section 9.16.040, adding new Section 9.16.050, and renumbering various sections relating to False Alarm fees charged by the City.
- Deputy Mayor Noble moved to adopt Ordinance No. 5577, and Mr. Degginger seconded the motion.
- The motion to adopt Ordinance No. 5577 carried by a vote of 6-0.
  - (7) Ordinance No. 5579 establishing the amount of property taxes to be levied for the year 2005, the first year of the 2005-2006 fiscal biennium.

Mr. Sarkozy referred Councilmembers to their desk packets for a revised version of Ordinance No. 5579, which contains final numbers received from King County this afternoon. The 2005 levy rate for Bellevue residents is reduced from \$1.32 to \$1.23 per \$1,000 of assessed value. Bellevue's property tax rate has not been increased since 1997.

Mr. Degginger praised the 6.8 percent reduction in the property tax rate, which he attributes to growth and economic development within the community.

Mr. Chelminiak commented on Council's longstanding commitment to keep property taxes as low as possible.

- Deputy Mayor Noble moved to adopt Ordinance No. 5579, and Mr. Chelminiak seconded the motion.
- The motion to adopt Ordinance No. 5579 carried by a vote of 6-0.
  - (8) Ordinance No. 5580 adopting the operating budget for the period 2005-2006 and the 2005-2011 Capital Investment Program Plan.

Mr. Sarkozy briefly highlighted the 2005-2006 operating budget and the 2005-2011 Capital Investment Program (CIP) budget.

- Deputy Mayor Noble moved to adopt Ordinance No. 5580, and Mr. Degginger seconded the motion.

Dr. Davidson said he will not support the budget. He feels one-time (development-related) sales tax revenue of \$1.1 million should have been applied toward balancing the operating budget. He noted his suggestion earlier in the budget process to reduce outside contracting by 2.5 percent. He is not in favor of using CIP funds for the two new land use studies: 1) Urban corridor/high-capacity transit, and 2) Eastgate Subarea Plan. Dr. Davidson is opposed to increasing utility taxes, particularly at a time of economic recovery.

- Dr. Davidson moved to increase the budget by \$161,000 to hire two new fire inspectors, and Mr. Chelminiak seconded the motion.

Mayor Marshall noted Council's policy to not increase staffing without an associated revenue stream. Staff has been directed to develop additional alternatives including inspecting some of the lowest risk occupancies less frequently than every 12 months. Mrs. Marshall prefers to wait for staff's alternative proposal next year. Mr. Chelminiak concurred.

- The motion to increase the budget to hire two new fire inspectors failed by a vote of 1-5, with Dr. Davidson in favor.

Referring to a Councilmember's earlier comment about cutting six staff positions from the budget, Mr. Sarkozy clarified that 11 positions have been eliminated in the 2005-2006 budget.

- The motion to adopt Ordinance No. 5580 carried by a vote of 5-1, with Dr. Davidson dissenting.

- (d) Ordinance No. 5581 updating the school impact fee schedule for Issaquah School District No. 411; and amending Section 22.18.100 of the Bellevue City Code.  
*(Discussed during November 15, 2004 Study Session.)*

Carol Helland, Land Use Director, recalled previous Council discussion of the Issaquah School District's proposed impact fees.

- Deputy Mayor Noble moved to adopt Ordinance No. 5581, and Mr. Degginger seconded the motion.

Dr. Davidson is opposed to school impact fees. He does not feel new homeowners should bear the burden of school construction costs.

Mr. Degginger supports the impact fees to fund capital needs. He noted approximately 1,100 Issaquah School District students live in Bellevue.

While Mr. Chelminiak is not in favor of impact fees either, he will support the motion.

- The motion to adopt Ordinance No. 5581 carried by a vote of 5-1, with Dr. Davidson dissenting.

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

Mayor Marshall thanked Budget staff, the Leadership Team, the City Manager, and department staff for their leadership and hard work on the budget over the past year.

Dr. Davidson praised staff for their assistance and cooperation throughout the budget process.

Mr. Sarkozy said staff appreciates Council's teamwork through this long and difficult budget process.

At 9:26 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich  
City Clerk

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