



## **CITY COUNCIL MINUTES SPECIAL MEETING NOVEMBER 19, 2019**

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

Mayor Debbie Bertlin called the Special Meeting to order at 5:00 pm at City Hall, 9611 SE 36<sup>th</sup> Street, Mercer Island, Washington.

Mayor Debbie Bertlin and Councilmembers Lisa Anderl, Bruce Bassett, Deputy Mayor Salim Nice, Wendy Weiker (by phone), and Benson Wong were present. Councilmember David Wisenteiner was absent.

### **EXECUTIVE SESSION**

At 5:01 pm, Mayor Bertlin convened an executive session to discuss pending or potential litigation with legal counsel pursuant to RCW 42.30.110(1)(i) for approximately 60 minutes.

At 6:00 pm, Mayor Bertlin adjourned the Executive Session and called the Regular Meeting to order at 6:02 pm. Councilmember.

Weiker left the meeting after the Executive Session ended.

### **AGENDA APPROVAL**

It was moved by Nice; seconded by Wong to:

**Approve the agenda as presented.**

Passed: 5-0

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

ABSENT: 2 (Weiker and Wisenteiner)

### **STUDY SESSION**

#### **AB 5626: Update on ARCH and ARCH 2020 Work Plan and Administrative Budget**

Deputy Director of Community Planning and Development Alison Van Gorp outlined for Council ARCH's actions in response to reports indicating that owners of affordable units stewarded under ARCH's Homeownership program were not in compliance with ARCH rules and then outlined key findings of the consultant report. The consultant report identified that staffing levels had not kept pace with program growth and that more staffing was needed to avoid additional compliance violations.

Deputy Director Van Gorp provided a brief report on ARCH's 2020 Administrative Budget, explaining that the proposed budget was a 53% increase over the 2019 budget and that ARCH's 2020 budget would require an increase of \$16,232 to Mercer Island's contribution. Van Gorp further explained that Mercer Island budgeted a \$50,000 contribution to the Housing Trust Fund, noting that HB 1406 would generate approximately \$36,000 in revenue and that some or all could be contributed to the Housing Trust Fund.

Deputy Director Van Gorp also outlined the ARCH Work Plan, which included five core areas:

- Affordable Housing Investment
- Housing Policy and Planning
- Housing Program Implementation
- Education and Outreach
- Administration

Van Gorp explained that if Council approved the ARCH 2020 Administrative budget and work plan, staff would bring back a budget amendment in the first quarter of 2020 to support the ARCH budget. She also reported that an amendment related to appropriation of the HB 1406 revenue would be provided at that same time.

## **SPECIAL BUSINESS**

Mayor Bertlin presented Mr. Tristan Schwiethale, with a City Stewardship Award for his volunteer work at the Farmers Market wherein each week he sorted the trash into the correct bins for compose, recycle, and garbage.

## **CITY MANAGER REPORT**

Interim City Manager Jessi Bon reported on the following:

- Drug Take Back Event
- Thrift Shop Anniversary Sale
- Local Veterans donate to Youth and Family Services
- Mercer Island Police Department \$20,000 Anonymous Donation
- Mercer Island Farmers Market “Harvest Market” – November 24 at Mercerdale Park
- Mercer Island Firefighters Food Pantry Fund Raiser – November 27
- City Facilities closed November 28 and November 29 for Thanksgiving Holiday
- MIYFS Tree Lot open November 30 to December 25
- The Lighting at Mercerdale Park and Firehouse Munch – December 6
- MIPD Officers rescue pup

## **APPEARANCES**

Dwight Schaeffer, Mercer Island, expressed concern for rising property taxes, sales tax, carbon taxes and more. He encouraged City Council to focus on productivity and efficiency rather than increasing taxes without a vote of the citizens.

Peter Struck, Mercer Island, expressed concern for the proposed ARCH operating budget and the cost of clean-up at the BP/ARCO site. He urged Council to consider how they will engage the community regarding the public institution amendment for the Tully’s site.

Gary Robinson, Mercer Island, commended the Council and city staff for redrafting the City Council Code of Ethics. He also requested that Council provide leadership that will work to bring the Island together.

Mark Hirayama, Mercer Island, 1) expressed appreciation to staff for responding to his letter and accurately representing the commuter parking project footprint, 2) expressed concern for settling the Environmental Remediation Agreement prior to the site delineation study’s availability, 3) and referenced his earlier email regarding the public institution code amendment.

Jon Harrington, Mercer Island, spoke to the Council regarding greenhouse gas emissions and encouraged Council to adopt Resolution 1570.

Ira Appleman, Mercer Island, 1) encouraged Council to stay involved in ARCH and fix it, 2) expressed concern for the Code of Ethics. He does not believe there is a money issue but rather the Council’s inability to tell the truth. 3) He encouraged the Council to complete a risk assessment on the ARCO/Tully’s project.

Robin Russell, Mercer Island, expressed support for the changes in the Code of Ethics and asked that the Council include a statement that prohibits Councilmembers from acting as “leads” on NextDoor. She also expressed concern for the Tully’s footprint and its impact. Furthermore, she encouraged Council to help redirect the anti-Semitic label that non-supporters of the Community Facilities Zone received.

## **CONSENT CALENDAR**

Councilmember Anderl asked to remove AB 5627: Approval of ARCH 2020 Work Plan and Budget, from the

Consent Calendar. Mayor Bertlin moved it to the second item of Regular Business.

**Accounts Payable Reports:**

- A. November 4, 2019 in the amount of \$142,359.13
- B. November 6, 2019 in the amount of \$446,575.91

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

**Certification of Payroll dated November 8, 2019 in the amount of \$840,423.06**

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

**Approve minutes of the November 4, 2019 Regular Meeting.**

**Recommendation:** Approve the minutes as written.

**AB 5612: Groveland Park Repairs and Shoreline Improvements Project Closeout**

**Recommended Action:** Accept the completed Groveland Park Repair and Shoreline Improvements Project and authorize the close out of the construction contract.

It was moved by Anderl; seconded by Bassett to:

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

Passed: 5-0

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

ABSENT: 2 (Weiker and Wisenteiner)

**REGULAR BUSINESS**

**AB 5634: Reimbursement Agreement for Environmental Remediation with Atlantic Richfield Company and Seller of the 7810 SE 27th Street (ARCO) Property for the City's Proposed Commuter Parking & Mixed-Use Project.**

It was moved by Nice; seconded by Wong to:

**Authorize the Interim City Manager to execute the environmental remediation Reimbursement Agreement with the Atlantic Richfield Company and the Seller of the 7810 SE 27th Street property, in substantially the form attached as Exhibit 1, for the City's proposed Commuter Parking & Mixed-Use Project.**

Passed: 5-0

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

ABSENT: 2 (Weiker and Wisenteiner)

**Public Hearing: 2019-2020 Mid-Biennial Budget Review**

**AB 5633: Third Quarter 2019 Financial Status Report, NORCOM 2020 Budget Resolution, 2020 Utility Rate Resolutions, 2020 Property Tax Ordinances, and 2019-2020 Budget Adjustments.**

Mayor Bertlin opened the public hearing at 8:40 pm.

Interim Finance Director LaJuan Tuttle introduced Mike Bailey, the City's Finance Consultant, explaining that Mr. Bailey would provide the following contract services:

- Perform an assessment of the City's Finance Department
- Provide support and assistance to the Interim Finance Director for long-range forecasting, and mid-biennial budget review,
- Attend 2020 Council Planning Session to support the long-range financial planning discussion
- Assess other finance related functions

Tuttle also reviewed the Third Quarter 2019 Financial Status Report with Council including:

- General Fund revenues and expenditures
- General sales tax
- Utility tax

- Permit and Land Use Revenue
- Utility Funds
- Budget Adjustments
- 2019-2020 Budget amending ordinance
- 2020 NORCOM budget resolution
- 2020 utility rate resolutions for water, sewer, storm water, and EMS.
- 2020 property tax ordinances

Mayor Bertlin asked for public comment. There being no comment, Mayor Bertlin closed the public hearing at 9:01 pm.

It was moved by Nice: seconded by Bassett to:

**Pass Resolution No. 1562, which approves NORCOM's 2020 budget allocation to the City of Mercer Island.**

Passed: 5-0

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

ABSENT: 2 (Weiker and Wisenteiner)

It was moved by Nice: seconded by Anderl to:

**Pass Resolution No. 1563, 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, 2020 and thereafter.**

Passed: 5-0

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

ABSENT: 2 (Weiker and Wisenteiner)

It was moved by Nice: seconded by Anderl to:

**Pass Resolution No. 1564, which establishes rates and connection charges for sewerage disposal services provided by the City of Mercer Island effective January 1, 2020 and thereafter.**

Passed: 5-0

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

ABSENT: 2 (Weiker and Wisenteiner)

It was moved by Nice: seconded by Anderl to:

**Pass Resolution No. 1565, which establishes the bi-monthly service charge for storm and surface water services provided by the City of Mercer Island effective January 1, 2020 and thereafter.**

Passed: 5-0

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

ABSENT: 2 (Weiker and Wisenteiner)

It was moved by Nice: seconded by Anderl to:

**Pass Resolution No. 1566, which establishes the bi-monthly utility fee for the emergency medical and ambulance services supplied by the City of Mercer Island effective January 1, 2020 and thereafter.**

Passed: 5-0

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

ABSENT: 2 (Weiker and Wisenteiner)

It was moved by Nice: seconded by Bertlin to:

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

Passed: 5-0

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

ABSENT: 2 (Weiker and Wisenteiner)

It was moved by Nice: seconded by Bertlin to:

**Adopt Ordinance No. 19-14, which establishes the amount of property taxes to be levied for the year 2020.**

Passed: 5-0

FOR: 5 (Anderl, Bassett, Bertlin, Nice, and Wong)  
ABSENT: 2 (Weiker and Wisenteiner)

It was moved by Nice: seconded by Bertlin to:

**Adopt Ordinance No. 19-15, which identifies the dollar amount and percentage increases of the regular property tax levy and the levy lid lifts for the year 2020.**

Passed: 5-0

FOR: 5 (Anderl, Bassett, Bertlin, Nice, and Wong)  
ABSENT: 2 (Weiker and Wisenteiner)

It was moved by Nice: seconded by Bertlin to:

**Adopt Ordinance No. 19-17, amending the 2019-2020 Budget**

Passed: 5-0

FOR: 5 (Anderl, Bassett, Bertlin, Nice, and Wong)  
ABSENT: 2 (Weiker and Wisenteiner)

### **AB 5627: Approval of ARCH 2020 Work Plan and Budget**

Deputy Director of Community Planning and Development Alison Van Gorp reiterated her statement from the Study Session earlier in the evening, explaining that the budget includes a significant increase for an expansion of staff capacity by 2.0 FTEs. Mercer Island's portion of the 2020 budget is \$50,222, a \$16,232 increase over 2019.

The work program includes five priorities for 2020:

- Provide excellent stewardship of affordable housing assets
- Develop measurable goals for production and preservation of affordable housing in the ARCH region
- Advance an initiative with high potential for impact (i.e. Eastside Equitable TOD Plan)
- Continue to support proposals for dedicated revenue sources for affordable housing
- Evaluate options for expanding ARCH's capacity to accomplish its broader mission

It was moved by Wong: seconded by Bassett to:

**Approve the ARCH 2020 Work Plan and Budget.**

Passed: 5-0

FOR: 5 (Anderl, Bassett, Bertlin, Nice, and Wong)  
ABSENT: 2 (Weiker and Wisenteiner)

### **AB 5623: Sustainability Update – K4C Commitments**

Sustainability and Communications Manager Ross Freeman reported that due to recent climate-related policy advances made in Olympia, along with the unexpected weakening of some federal emissions programs, and new technical developments, the King County-Cities Climate Collaboration (K4C) decided in early 2019 to refresh the original 2014 commitments. He explained that the updated Joint Commitments document was very similar to the original 2014 commitments, with differences consisting mostly of: clarifications of certain phrases; acknowledgment of new State legislation; and three new sections addressing (a) new technology (e.g. electric vehicles), (b) city operations, and (c) the need for climate change preparedness.

It was moved by Bassett: seconded by Wong to:

**Approve Resolution No. 1570 to adopt the refreshed 2019 Joint Climate Commitments presented by the K4C.**

Passed: 5-0

FOR: 5 (Anderl, Bassett, Bertlin, Nice, and Wong)  
ABSENT: 2 (Weiker and Wisenteiner)

### **AB 5632: Public Institution Code Amendment (1st Reading)**

Community Planning and Development Director Evan Maxim reported that on August 5, 2019, the Growth Management Hearings Board (GMHB) issued a decision on an appeal of Ordinance No. 18-13 and 18C-14

(Case No. 19-3-0003c). One of the appeal issues was related to the Comprehensive plan amendment and rezone of property adjacent to the Tully's Property, known as "Parcel 12 / WSDOT." In particular, the GMHB decision noted that the language in MICC 19.05.010(B) was not consistent with the amendments to the land use map in the Comprehensive Plan and was not consistent with the amended zoning map. The proposed amendment to the Public Institution Code would eliminate the inconsistency between the code, zoning designation, and the Comprehensive Plan's land use map

He further explained that the Planning Commission held a public hearing on October 30, 2019 to consider the proposed code amendment. Following the public hearing and a review of the public comments, the Planning Commission recommended that the City Council adopt the proposed language.

Council discussed the amendment at length and Councilmember Anderl expressed support for maintaining the sculpture park's current zoning rather than changing the zoning designation to Town Center.

It was moved by Nice: seconded by Bassett to:

**Set Ordinance No. 19C-19 for second reading and adoption on the December 3, 2019 Consent Calendar**

Passed: 4-0

FOR: 4 (Bassett, Bertlin, Nice, and Wong)

ABSTAIN: 1 (Anderl)

ABSENT: 2 (Weiker and Wisenteiner)

### **AB 5628: Code of Ethics Revisions (1st Reading)**

Chief of Administration Ali Spietz and Assistant presented revisions to the code of ethics for public officials to clarify the process for responding to a complaint, removing references to State law, and adding guidance on prohibited conduct. Following Council questions and discussion, staff was directed to further revise the proposed amendment return with revisions at the December 3 meeting.

## **OTHER BUSINESS**

### **Planning Schedule**

- Interim City Manager Bon reminded Council that there were two Council meetings remaining in 2019: December 3 and December 10
- January 7 meeting will be the nomination of Mayor and Deputy Mayor
- January 24 & 25 are the Planning Session

### **Councilmember Absences & Reports**

Councilmembers Weiker and Wisenteiner's absences were excused.

Councilmember Wong:

- YFS Foundation Breakfast on February 12
- Encouraged charitable giving to Mercer Island Community Fund
- SCA 2020 Legislative Agenda

Councilmember Anderl:

- November 12 Utility Board Meeting
- YFS Christmas Tree Lot

Councilmember Bassett reported that the URL on the Mercer Island Community Fund signs need to be corrected.

Mayor Bertlin:

- Update on KC Affordable Housing Task Force
- Upcoming GMPC Meeting

## **EXECUTIVE SESSION**

At 10:41 pm, Mayor Bertlin convened an Executive Session to for planning or adopting the strategy or position to be taken by the City Council during the course of any collective bargaining, professional negotiations, or grievance or mediation proceedings, or reviewing the proposals made in the negotiations or proceedings while in progress pursuant to RCW 42.30.140(4)(b) for approximately 30 minutes.

At 10:50 pm, Mayor Bertlin adjourned the Executive Session; no action was taken.

## **ADJOURNMENT**

There being no additional business to come before City Council, the Regular Meeting adjourned at 10:51 pm.

Attest:

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Debbie Bertlin, Mayor

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Deborah Estrada, City Clerk