



CITY COUNCIL MINUTES REGULAR VIDEO MEETING SEPTEMBER 1, 2020

CALL TO ORDER & ROLL CALL

Mayor Benson Wong called the meeting to order at 5:00 pm from a remote location.

Mayor Benson Wong, Deputy Mayor Wendy Weiker (arrived 5:07 pm) and Councilmembers Lisa Anderl, Jake Jacobson, Salim Nice, Craig Reynolds, and David Rosenbaum participated remotely using a video teleconferencing platform by Zoom.

Chief of Administration Ali Spietz and City Clerk Deborah Estrada participated remotely from separate rooms at City Hall, 9611 SE 36th Street, Mercer Island, Washington. The Mercer Island City Leadership Team participated from remote locations. City Manager Bon was absent.

PLEDGE OF ALLEGIANCE

Councilmember Dave Rosenbaum led the Council in the Pledge of Allegiance.

AGENDA APPROVAL

It was moved by Nice; seconded by Jacobson to:

Approve the agenda as presented.

A roll call vote was conducted, and the results were as follows:

Passed 6-0

FOR: 6 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, and Wong)

Absent: 1 (Weiker)

STUDY SESSION

AB 5743: 2020 Business Needs Assessment Survey Report

Sarah Bluvas, EOC Small Business Liaison and Nancy Hardwick of Hardwick Research presented the results of the needs assessment survey of the Mercer Island business community that was sent to approximately 1,200 local businesses.

Ms. Hardwick spoke about the results relating to businesses challenges, possible remedies and changes, information sources, City programs and assistance and Chamber of Commerce membership. She also provided the following recommendations:

- Promote the City's COVID-19 resources through Let's Talk and partnering with the Chamber of Commerce to disseminate information and partner on programming
- Create a business section on Let's Talk to make it easier to find pertinent information
- Provide a variety of information as every business has different needs

CITY MANAGER REPORT

Chief of Administration Spietz reported on the following:

- COVID-19 Update
 - Council Meeting Updates
 - 10,000 masks given away
- City Service Updates
 - Garbage cans removed in parks

- Please continue packing out your garbage
- Luther Burbank Docks Open House – September 2
- City Services Updates:
 - New Job Opportunities Portal – NEOGOV
 - YFS Back to School Assistance
 - Thrift Shop Soft Reopening – August 16
 - 2020 Arterial and Residential Street Overlays
 - West Mercer Way Pedestrian Crossings
- SJCC: Supporting the Community through their Mitzvah Corps volunteer program and Fall Initiative; Food Insecurity
- Welcome Back MISD Students & Teachers

APPEARANCES

Meg Lippert, Mercer Island – Commended City Manager Bon for her August 4 comments regarding the Thrift Store remodel and the need to discuss the issues and options prior to making any decisions.

CONSENT CALENDAR

Approve **Accounts Payable** Reports:

- A) July 31, 2020 in the amount of \$190,068.99
- B) August 7, 2020 in the amount of \$847,496.29
- C) August 14, 2020 in the amount of \$205,896.34
- D) August 21, 2020 in the amount of \$62,618.95

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

Claims Reporting for **Electronic Funds Transfers** for the month ending July 31, 2020 in the amount of \$2,267,095.69

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

Approve **Certification of Payroll:**

- A) August 14, 2020 in the amount of \$689,290.94
- B) August 28, 2020 in the amount of \$702,233.43

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

Approve **Minutes:**

- A) July 21, 2020 Regular Video Meeting
- B) August 4, 2020 Regular Video Meeting
- C) August 13, 2020 Special Video Meeting
- D) August 25, 2020 Special Video Meeting

AB 5740: 2020-2021 Interlocal Agreement with the Mercer Island School District for School-Based Counseling Services.

Recommended Action: Authorize the City Manager to sign an Interlocal Agreement with the Mercer Island School District for counseling services during the 2020-2021 school year.

AB 5739: King County CARES Act Coronavirus Relief Fund Grant Acceptance

Recommended Action: Authorize the City Manager to accept grant funding through King County's Coronavirus Relief Fund Economic Development for Cities program in the amount of \$37,372 and appropriate the full amount to support the City's small business support efforts through December 31, 2020.

AB 5744: National Recovery Month Proclamation No. 256

Recommended Action: Mayor presents the proclamation proclaiming September 2020 as National Recovery Month.

It was moved by Reynolds; seconded by Nice to:

Approve the Consent Calendar as presented.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

REGULAR BUSINESS

AB 5745: Zayo Group, LLC. Franchise Agreement (Ord. No. 20-16; 2nd Reading and Adoption)

Interim CPD Director and City Engineer Patrick Yamashita introduced Daniel Kenny with Ogden Murphy Wallace, PLLC, who negotiated with Zayo on behalf of the City. Mr. Kenny reviewed Ordinance No. 20-16, granting a franchise agreement with Zayo for the installation of new wireline facilities (fiberoptic) which will initially serve existing facilities which currently have dated/slow connections. He noted that Zayo will still need to apply for and receive all necessary permits for any and all installations of wireline facilities.

It was moved by Nice; seconded by Weiker to:

Adopt Ordinance No. 20-16, approving a franchise agreement with Zayo Group, LLC.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

AB 5721: Board and Commission Vacancy Appointments

Mayor Wong explained that at its February 18, Regular Meeting, City Council changed the board and commission appointment process providing that all appointments be made by a vote of the City Council during a regularly scheduled meeting. He further noted that applicants that receive the most votes, provided they received a minimum of four votes, would be appointed to the open seats on the board or commission.

Design Commission – One vacant position; two applications received. City Clerk Estrada emailed the ballots to each Councilmember and reminded them to cast a vote for one applicant. The ballots were tallied, and Traci Granbois received seven (7) votes to be appointed to the Design Commission.

Utility Board – One vacant position; three applications received. City Clerk Estrada emailed the ballots to each Councilmember and reminded them to cast a vote for one applicant. The ballots were tallied, and George Marshall received six (6) votes, with one abstention, to be appointed to the Utility Board.

It was moved by Anderl; seconded by Nice to:

Approve Resolution No. 1585 appointing members to the Mercer Island Design Commission and Utility Board.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

AB 5747: First Reading of Ordinance No. 20C-20 Temporarily Increasing Utility Tax Rates to Raise Additional Revenue for Potential Litigation to Enforce the Terms of the City's 2017 Settlement Agreement with Sound Transit

Chief of Administration Spietz summarized the purpose of Ordinance No. 20C-20, explaining that the City was at an impasse with Sound Transit on design of the Bus/Rail Interchange and that the ordinance would increase the utility (water, sewer, and stormwater) tax rate from 5.3% to 8.0% for 36 months to finance the cost of litigation.

She also noted that the City's General Fund will borrow from the City's utility (water and sewer) funds through an interfund loan to pay for costs related to litigation. A resolution authorizing the interfund loan will be brought before the City Council concurrently with the second reading of the ordinance on September 15.

It was moved by Rosenbaum; seconded by Jacobson to:

Set Ordinance No. 20C-20 for second reading and adoption on September 15, 2020.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

AB 5741: Revenue Forecast and Second Quarter Financial Status Report

Interim Finance Director Matt Mornick presented highlights of the second quarter financial status report noting that General Fund revenues are \$1.4 M less than second quarter in 2019 and expenses are \$1.1 M less than second quarter in 2019. He also presented Ordinance No. 20-19 which amends the budget to include Phase 3 cost saving measures previously presented to the Council.

Director Mornick provided the September revenue forecast through 2020 and 2021-2022 projections for the upcoming budget process. He noted that the September forecast projects a revenue shortfall of \$ (3,400,000) - approximately 11% of 2020 adopted budget revenues - in the General Fund in 2020. Three phases of cost saving measures were implemented to reduce expenses by \$3.8 million and the remaining balance will cover the 27th payroll period in 2020 which was not previously budgeted.

He explained that some revenues have improved (property and general sales taxes, while others have worsened (license, permit and zoning fees, B&O taxes, and Parks & Recreation fees) and that overall REET revenues slightly declining from 2019 to 2020. He noted that the uncommitted balance of the Contingency Fund was \$3,575,992 - 11% of 2020 adopted expenditure budget.

It was moved by Jacobson; seconded by Reynolds to:

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

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

It was moved by Anderl; seconded by Rosenbaum to:

Adopt Ordinance No. 20-19 amending the 2019-2020 budget to memorialize Phase 3 cost saving measures.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

AB 5742: Town Center Moratorium Update and Findings of Fact (Ordinance No. 20-18; Second Reading)

Deputy CPD Director Alison Van Gorp presented the Ordinance No. 20-18 for second reading and adoption which amends the geographic extent of the Town Center Moratorium and adopts additional findings of fact. She noted that next steps include developing a consultant RFP retail analysis and bringing the scope of work, schedule, and appropriation request to Council later in the fall. She noted that any amendments proposed to the Town Center regulations or the Comprehensive Plan will require Planning Commission review, a public hearing, and adoption by the City Council.

It was moved by Nice; seconded by Weiker to:

Adopt Ordinance No. 20-18 amending the scope of the Town Center Moratorium and adopting additional findings of fact.

A roll call vote was conducted, and the results were as follows:

Passed 6-1

FOR: 6 Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

AGAINST: 1 (Anderl)

OTHER BUSINESS

Planning Schedule

Chief of Administration Spietz reported that there will be a Special Meeting on September 22 to discuss the budget and organizational changes.

Councilmember Absences

There were no absences to report.

Councilmember Reports

Councilmember Anderl spoke about the upcoming Utility Board meeting.
Councilmember Jacobson noted that tomorrow (9/2) was the 75th anniversary of the end of World War II.
Deputy Mayor Weiker spoke about K4C meeting on October 8 and Governor Inslee announced additional federal funding to be distributed to local governments.
Mayor Wong spoke about the AWC budgeting webinar that he attended on August 20.

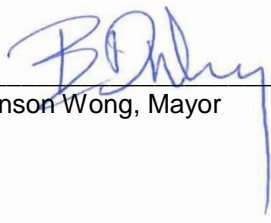
ADJOURNMENT

There being no additional business, the Special Video Meeting adjourned at 8:16 pm.

Attest:



Deborah A. Estrada, City Clerk



Benson Wong, Mayor