

CALL TO ORDER AND ESTABLISHMENT OF QUORUM

A Regular Meeting of the Redmond City Council was called to order by Mayor John Marchione 7:30 p.m. in the Council Chamber. Councilmembers present and establishing a quorum were: Allen, Carson, Cole, Margeson, Myers, Stilin, and Vache.

ITEMS FROM THE AUDIENCE

The following person spoke regarding support of AM No. 10-022 Re: Annexation Direct Petition for St. George's Coptic Orthodox Church: Mr. Mark Soliman.

The following person spoke in support of partnering with the City of Redmond with regard to study and siting of stormwater detention ponds in the Overlake Area: Mr. Bob Thorp (KCC - Limited Edition properties).

The following person spoke regarding Ordinance No. 2521 and Resolution No. 1321: Ms. Judy Jewell. She stated that she would like to see an assessment performed during the middle of the process in order to see how the point system is working. She also asked for an evaluation of how much modifications will cost business owners.

The following person spoke regarding Ordinance No. 2521 and Resolution No. 1321, stating that he would like to know the economic impacts of asking businesses to repay costs, engineering charges to the utility fund, and asked that gravel be considered an impervious substance: Mr. Bob Yoder.

Mr. Bob Yoder also commented regarding the Code Rewrite Commission process, stating that the timeframe between the Commission's discussions of administrative procedures contained in RCDG 20F, and the scheduled public hearing, is too short. He would like the Commission to consider changes to the quasi-judicial process.

CONSENT AGENDA

MOTION: Councilmember Cole moved to approve the Consent Agenda as presented. The motion was seconded by Councilmember Margeson.

1. Approval of the Minutes: Regular Meeting of January 19, 2010.

2. Approval of Payroll/Direct Deposit and Claims Checks

PAYROLL DIRECT DEPOSITS/CHECKS:

#171782 through #171837
#219501 through #220179

\$1,502,605.26

CLAIMS CHECKS:

#351005 through #351404

\$6,119,418.11

3. AM No. 10-015: Approval of the Revised City of Redmond All-Hazards Comprehensive Emergency Management Plan

a. Resolution No. 1320: A Resolution Adopting the Revised All-Hazards Comprehensive Emergency Management Plan (CEMP)

4. AM No. 10-016: Approval of Consultant Agreement with Financial Consulting Services Group (FCS Group) in an amount of \$48,065 for the 2011-2012 Stormwater Rate Study and General Facility Charge Update

5. AM No. 10-017: Approval of Amendments to Wellhead Protection Regulations for Existing Stormwater Infiltration Systems

a. Ordinance No. 2521: An Ordinance Amending RMC 13.07.100 in order to Revise the Assessment and Modification Requirements for Existing Stormwater Infiltration Systems

- b. Resolution No. 1321: A Resolution Adopting a Permit Fee Elimination and Groundwater Protection Incentive Program for Owners that Carryout the Modification of Existing Stormwater Infiltration Systems to Implement Groundwater Pollution Prevention Measures

VOTE: The motion passed without objection. (7 - 0)

HEARINGS AND REPORTS

PUBLIC HEARINGS

(There were no public hearings held).

STAFF REPORTS

- a. AM No. 10-018: 2009 Fourth Quarter Financial Report

Mr. Mike Bailey, Finance and Information Services Director, presented to the Mayor and Members of the Council the 2009 Fourth Quarter Financial Report. His presentation addressed:

- General Cash Flow
 - \$12.7 million swing from prior biennium (which resulted in \$7.1m surplus);
 - Budget calls for \$21m swing;
 - \$7.1m surplus last year and \$14m one-time this year;
- General Fund Revenue
 - 4.8% behind estimates overall (was 5.6% last quarter)
- General Fund Revenue- Property Tax
 - 1.8% behind estimates - not a volatile revenue (1.8% behind last quarter) Represents 19% of total budgeted revenue
- General Fund Revenue - Sales Tax
 - 7.9 % behind estimates - a volatile/significant revenue source (7.6 % behind last quarter)
 - Represents 31% of total budgeted revenue
 - Overall sales tax decrease from 2008 YTD is 6.3% (same as reported last quarter) (Note: data from December report which reflects sales through October)
- General Fund Retail Sales Tax Analysis

- Overall retail sales tax decrease from 2008 YTD is 12.4% - This is an improvement from a decrease of 16.6% last quarter
- General Fund Revenue - Utility Tax
 - Continues to be below target but consistent with revised forecast. Represents 20% of total budgeted revenue
- General Fund Revenue - Other Taxes
 - Continues to be below target but consistent with revised forecast (is less than 1% of total revenue)
- General Fund Revenue - Licenses and Permits
 - Below target by 7.8%; reflects decreasing development activity
- General Fund Revenue - Intergovernmental
 - Ahead of trend line, which steepens later in the biennium
- General Fund Revenue - Charges for Service
 - Trending 7.62% below target; reflects decreasing development activity
- General Fund Revenue - Fines and Forfeits
 - Pass-through revenues to county court system
- General Fund Revenue - Miscellaneous
 - Mostly investment earnings and rents; investment rates are declining
- General Fund Revenue - Conclusion
 - Preliminary 2009 data looks within the boundaries of the revised financial forecast presented last quarter (as part of the mid-biennial review)
- General Fund Expenditures
 - All department budgets are below expenditure targets
- General Fund Expenditure - Conclusion
 - Overall preliminary 2009 expenditures are consistent with revised forecast presented last quarter
- 5-point plan:
 - 2009 - 2010
 - Continued tight management control currently resulting in +/- 9% under-expended
 - On-going restrictions on travel expenses and other discretionary expenses
 - Fund review (i.e. fleet, equipment replacement)
 - Initial efficiency measures/savings
 - Goal to retain all of \$3 million economic contingency
- Advanced Life Support Issue: Cash Flow
 - Negative cash flow has become routine in this fund
- Real Estate Excise Tax Issue: Revenue

- Revenues are \$2m compared to \$18m at this time in 2007 (\$1.8m is tax and \$184k is interest earnings)
- Water Sewer Operating Fund Issue: Revenues and Expenditures
 - Revenues down due to decline in development activity
 - Expenditures include transfers to capital funds - budgets to be adjusted

Mr. Bailey noted that the Financial Report is posted to the website for reference at www.redmond.gov.

b. AM No. 10-019: Capital Investment Program (CIP) Update

Ms. Malisa Files, Financial Planning Manager, provided a presentation to the Mayor and Members of the Council addressing:

- Revenues in the CIP fund showing some stress;
- Project updates:
 - Parks
 - Transportation
 - Utilities
 - Fire
 - Police
 - General Government
- Total 2009- 2010 budgeted CIP equals \$230.6 million (including fund balances);
 - Of the total, \$76.3 million is in the Utility Fund
- In 2009, most significant revenue shortfalls occurred in real estate excise tax and impact fees;
 - Declines expected to continue in 2010
- Business tax on target in 2009;
- Real Estate Excise Tax
 - Real estate excise tax fell 50% from 2009 budgeted levels
- Impact Fees
 - Impact fees are 83% below the original 2009 budget and 47% below revised estimates
- Business Tax
 - 2009 actual business tax collections were slightly ahead of budget
- 2009 Completed Projects;
- Parks Project Updates;
- Transportation Project Updates;
- Utility Project Updates;
- Fire Project Updates;
- Police Project Updates;

- General Government Project Updates;
- Next Steps
 - Continue to monitor revenues for 2010;
 - Development of the 2011 - 2016 Forecast in preparation for the budget process; and
 - Six-year CIP to be recalibrated during the budget process

Councilmember Cole inquired regarding the status of the signal project at Old Redmond Road and West Lake Sammamish Parkway. Mayor Marchione responded that the project is slotted for completion in late 2010.

c. AM No. 10-020: Redmond Code Rewrite: Miscellaneous Uses and Development Standards I Packages (L090380)

Ms. Jayme Jonas, Senior Planner, and Mr. Steven Fischer, Principal Planner, advised the Mayor and Members of the Council that the Code Rewrite Commission's first work recommendations would be coming forward for Council's discussion beginning February 9, 2010. They solicited any questions from the Members prior to commencement of the study sessions.

Councilmember Cole asked for an analysis of proposed changes to the code; Ms. Jonas stated that she would detail this and distribute to the members.

Councilmember Cole stated that he is interested in hearing about temporary uses; manufactured housing and lights (although he is aware that there are currently no light standards for single-family homes).

Councilmember Stilin stated that he would be interested in hearing more as to how undergrounding is applied.

OMBUDSMAN REPORT

Councilmember Vache reported that he had received the following citizen contacts regarding:

- signs in general, and as well, new parking restrictions on Leary Way; Mayor Marchione noted that staff will be addressing the inquiry;
- a request to post hearing information on the City website for Department of Ecology regarding sand and gravel permits; and
- objections to the expenditure of funds for the position of Poet Laureate.

Councilmember Margeson reported that he had received a citizen contacts regarding not being able to access the building during the last Code Rewrite Commission meeting.

Councilmember Cole noted that he had received several other emails regarding the City's Poet Laureate.

COMMITTEE REPORTS

Public Administration and Finance

Approval of Committee Work Plan:

Councilmember Margeson reported that the Committee met on Thursday, January 21, 2010, at 4:30 p.m. in the Council Conference Room, in order to discuss the committee's 2010-2011 Work Plan.

MOTION: Councilmember Margeson moved to adopt the 2010 - 2011 Public Administration and Finance Committee Work Plan. The motion was seconded by Councilmember Allen.

VOTE: The motion passed without objection.

Planning and Public Works

Councilmember Allen reported that the Committee will hold their first meeting of the year on February 4, 2010, at 4 p.m. in the Council Conference Room.

Parks and Human Services

Councilmember Stilin reported that the Committee met on February 2, 2010, and discussed their work plan and ARCH updates. The work plan will be finalized during the next committee meeting.

Legislative Update

Councilmember Stilin reported that he and Councilmembers Cole, Myers and Vache, along with Mayor Marchione, attended the legislative conference in Olympia last week. He noted that a joint meeting with local cities was held as well as meetings with the 45th and 48th Legislative Delegations. SR 520 is the

issue of the session. Councilmember Stilin also spoke regarding the State's transfer of SR 908 in part to the City of Redmond and funding for repairs.

UNFINISHED BUSINESS

(There were no Unfinished Business items presented).

NEW BUSINESS

- A. AM No. 10-021: Closed Record Appeal: Appeal of Hearing Examiner's Decision to Deny Appeal L060518 of the Overlake Office Building Short Plat (File No. L040326) (quasi-judicial)

Mayor Marchione inquired if there was any objection to his presiding over the matter. No objection was noted.

Mr. Bill Evans, Assistant Attorney for Kirkland, acting as counsel to the Council, advised that if there were any disclosures from the members, that now would be the time to submit those in the record. No disclosures were noted.

Mr. Bob Johns, and Mr. Jim Potter, Appellants, testified regarding:

- the location of the property;
- the short plat applied for is to divide a lot into three lots as a mixed-use site;
- staff conditioning of the Appellants to dedicate right-of-way on 156th Avenue NE and Bel-Red Road for the City to build additional lanes on either side; however, the project is not generating additional traffic;
- additional lanes being sought by the City as part of its existing BROTS projects, not because of the requested short plat;
- it being premature to make the decision that the short plat will increase traffic when no development has been planned to occur at this time; and
- the request of the Appellants for Council to strike the Hearing Examiner's decision.

Mr. James Haney, representing the City, testified regarding:

- the standard of review in which the City Council must take the appeal into consideration;
- Finding No. 26 - the Applicant did not dispute the increase in traffic finding at the lower level;

- the City believes the short plat will, in fact, generate new traffic;
- Finding No. 27 - the Applicant contests that the short plat doesn't require dedication of the right-of-way at the time of the short plat, while in fact, it does; the dedication of land is required at the time of short plat approval;
- the criteria for determining the dedication - that there is a public problem, which is contributed to or made worse by the application; the dedication would alleviate the problem; and the resolution has to be roughly proportional to the public problem - the City met each of these criteria in making its determination;
- the condition of the area with regard to traffic;
- the dedication of the right turn lane on 156th Avenue NE is to mitigate traffic impacts;
- the developer would be credited for impact; and
- the approval of new legal lots includes the right to develop the lots.

Councilmember Allen queried if the dedication at the time of the short plat is unusual. Mr. Haney replied that it is not unusual.

Councilmember Carson queried that there is a potential that there could be a plan that does not increase traffic, and what happens if the Applicant chooses that option.

Mr. Haney reiterated the right to develop the property once the short plat is approved, and stated that any development could as well increase vehicular trips.

Discussion ensued regarding whether or not the City could condition dedication after short plat approval. Mr. Haney responded negatively, noting complications if the lots are already developed.

Mr. Bob Johns, Representing the Applicant, rebutted:

- there is a public need at this location;
- he disagrees that the property owner should solve that problem; and
- it is not known what kind of development will occur at the site at this time.

Councilmember Allen queried regarding ingress and egress to the property site. Mr. Johns responded that there is also an access off of Bel-Red Road.

Councilmember Allen queried if Mr. Johns knew of any other jurisdictions that put dedication at a later stage of the platting process. Mr. Johns responded that he knows of many that do this for mixed-use sites.

MOTION: Councilmember Allen moved to uphold the decision of the Hearing Examiner and DENY the appeal. The motion was seconded by Councilmember Vache.

Councilmember Myers:

- read a prepared objection to the conditioning of the right-of-way into the record;
- stated that he supports dedication at the time of the short plat;
- stated that he disagrees with the Hearing Examiner's recommendation that the Applicant should not be compensated;
- opined that the right turn lane is a separate issue than the short plat approval;
- noted that he does not believe the City met the 'proportionality' standard with regard to the dedication;
- stated that he supports the appeal; and
- noted that he would like the findings modified to include fair market value compensation to the Applicant.

Councilmember Allen commented that there was no opposing testimony on this matter at the lower level and that the City Council must base its decision on the testimony and the record provided. She stated that, therefore, she does not believe there is any legal justification for granting the appeal. She opined that the City did meet the criteria in dedication for the short plat.

Councilmember Vache agreed that he, too, believes that the City met all criteria necessary for the conditioning of the right-of-way dedication.

Councilmember Cole stated that he supports the motion based on the record at the lower level.

Councilmember Carson reiterated that it is not yet known what type of development will occur on the property and if it will, in fact, increase vehicular trips.

Discussion continued regarding:

- undisputed testimony in the record at the lower level; and
- the Burton 4-prong test criteria to determine the dedication.

VOTE: The motion passed with Councilmembers Carson and Myers in opposition. (5 - 2)

Mr. Bill Evans noted that Findings and Conclusions consistent with the Hearing Examiner's findings would be brought forward for Council approval.

B. AM No. 10-022: Acceptance of Notice of Intent and Authorization of Circulation of a Direct Petition, St. George's Coptic Orthodox Church Annexation, L100002

Mr. Eric McConaghy, Associate Planner, reported:

- As of February 1, 2010, the Boundary Review Board has approved the NE Rose Hill annexation; and
- Stated that the accelerated approval of this annexation will speed the process for the proposed annexation of the St. George's Coptic Church property into the City of Redmond.

MOTION: Councilmember Vache moved to approve AM No. 10-022. The motion was seconded by Councilmember Carson.

VOTE: The motion passed without objection. (7 - 0)


ORDINANCES AND RESOLUTIONS

(There were no Ordinances and Resolutions presented.)

February 2, 2010

ADJOURNMENT

There being no further business to come before the Council, the regular meeting adjourned at 9:21 p.m.


MAYOR


CITY CLERK

Minutes Approved: February 16, 2010