



CITY COUNCIL MINUTES

REGULAR VIDEO MEETING

April 20, 2021

CALL TO ORDER & ROLL CALL

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

Mayor Wong, Deputy Mayor Wendy Weiker (5:37 pm), and Councilmembers Lisa Anderl, Jake Jacobson, Salim Nice, Craig Reynolds, and David Rosenbaum participated remotely using a video teleconferencing platform by Zoom.

City Manager Bon participated remotely from City Hall, 9611 SE 36th Street, Mercer Island, Washington. The City Attorney and Mercer Island City Leadership Team participated from remote locations.

PLEDGE OF ALLEGIANCE

Councilmember Rosenbaum delivered the Pledge of Allegiance.

AGENDA APPROVAL

It was moved by Reynolds; seconded by Jacobson to:

Approve the agenda.

Passed 6-0

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

STUDY SESSION

AB 5847: Mercer Island Community and Event Center & Recreation Programs and Services Strategy Implementation

Jason Kintner, Chief of Operations & Public Works Director, and Ryan Daly, Operations & Transition Team Manager, shared the Reset Strategy for Recreation and the Mercer Island Community and Event Center, explaining that it was a philosophy and a plan to guide the selection, delivery, and support of future programs and services. They went on to explain that creating and applying a cost recovery and resource allocation philosophy was a key component to:

- Maintaining an agency's financial control
- Equitably pricing offerings
- Helping to identify core services including programs and facilities

Rory Westberg, Parks & Recreation Commission Chair, outlined the Parks & Recreation Commission's proposed cost recovery plan, the immediate action plan, and proposed Phase 1 accelerated potential programs and services. Staff also reviewed the potential barriers to success, which included:

- Failure to recognize the lead-time and staff resources needed,
- Not building in enough flexibility to roll with the Pandemic,
- Inability to implement the strategy,
- Lack of consistent application of the strategy, and
- Failure to measure and hold accountable to the strategy.

Staff further noted that there was an Immediate Action Proposal for the Arts Council, which included a funding appropriation for arts services and program for the remainder of 2021.

It was noted that under Regular Business, staff intended to seek City Council approval of the appropriation of the remaining Recreation Recovery Plan Startup Funding reserve needed to begin implementation of the "Accelerated Phase 1 – Foundational Phase" of the Reset Plan.

CITY MANAGER REPORT

City Manager Bon reported on the following items:

- COVID-19 Update
 - Local Business Support (\$28.6B in federal grants)
- City Council and Boards and Commissions Updates:
 - Virtual Meetings
 - 2021 Mid-Year Planning Session
 - Boards & Commissions Openings
- City Service Updates:
 - March Recycling Event Results
 - Annual Transportation Improvement Program Kickoff
 - Mental Health First Aid
 - Med Take Back Day
 - Celebrating Earth Day
 - Keeping the Island Beautiful
 - Staffing Vacancies
- Some Good News:
 - Record CERT Class Turnout
 - Celebrating Life's Milestones

APPEARANCES

There were no public appearances.

CONSENT CALENDAR

Approve Accounts Payable Reports for the periods ending:

- A) April 2, 2021 in the amount of \$409,292.50
- B) April 9, 2021 in the amount of \$664,652.80

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

Approve Claims Reporting for Electronic Funds Transfers for the months ending:

- A) January 31, 2021 in the amount of \$1,988,126.84
- B) February 28, 2021 in the amount of \$2,156,430.22
- C) March 31, 2021 in the amount of \$2,410,087.26

Recommended Action: 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 April 9, 2021 in the amount of \$798,410.70

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

Approve the Minutes of the April 6, 2021 Regular Meeting.

Recommended Action: Approve the minutes as written.

AB 5838: Earth Day Proclamation No. 267

Recommended Action: Mayor proclaims April 22, 2021 as Earth Day in the City of Mercer Island.

AB 5845: National Infertility Awareness Week Proclamation No. 268

Recommended Action: Mayor proclaims April 18-24 2021 as National Infertility Awareness Week in the City of Mercer Island.

AB 5842: Cayson Fields Long Plat – Final Plat Approval (SUB16-007)

Recommended Action: Approve Resolution No. 1596 authorizing the Mayor to sign the final plat for the Cayson Fields long plat.

It was moved by Reynolds; seconded by Anderl to:

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

PASSED: 7-0

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

REGULAR BUSINESS

AB 5851: Development Code Amendment ZTR21-001 Comprehensive Plan Implementation

Alison Van Gorp, CPD Deputy Director, explained that the amendment provides guidance on the implementation of Comprehensive Plan amendments, noting that previously the Growth Management Hearings Board found that adoption of current code provisions was legal, but *could* result in a GMA violation. She further noted that City staff believe that state statute and regulations provide sufficient guidance to properly implement Comprehensive Plan amendments and to adopt consistent development regulations. Consequently, there is no need to keep MICC 19.15.230(I) in the city code in light of the Board's caution. Van Gorp noted that on February 17, 2021, the Planning Commission held a public hearing on the proposed amendment and recommended the City Council approve the proposed amendment by a unanimous vote.

It was moved by Jacobson; seconded by Rosenbaum to:

Set the second reading and adoption of Ordinance No. 21C-05 on May 4, 2021.

PASSED: 7-0

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

AB 5852: Development Code Amendment ZTR21-002 Conditional Use Permit (CUP) Applicability

Alison Van Gorp, CPD Deputy Director, explained that the amendment relates to changes to CUPs after they are granted noting that the proposed amendment adds a subsection (c), clarifying that a CUP is only applicable to the property for which it is granted and can only be expanded through a new CUP application.

Van Gorp further explained that on January 20, 2021, the Planning Commission reviewed the proposed code amendment during a public meeting. Based on the staff recommendation, the Commission requested further revisions to the amendment to provide additional clarity and to remove ambiguity in the implementation of the amendment. On February 17, 2021, the Planning Commission held a public hearing on the revised amendment. Following the hearing, the Planning Commission requested further revisions to the proposed amendment and asked to schedule another review of the amendment. The Planning Commission held their final review of the proposed amendment on March 17, 2021 and by a unanimous vote recommended the City Council approve the proposed amendment.

It was moved by Reynolds; seconded by Rosenbaum to:

Set the second reading and adoption of Ordinance No. 21C-06 on May 4, 2021.

PASSED: 7-0

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

AB 5848: Mercer Island Community and Event Center & Recreation Programs and Services Strategy Implementation

Jason Kintner, Chief of Operations, referenced the earlier Study Session discussion explaining that staff was seeking an appropriation of \$328,000 to begin implementation of the Mercer Island Community and Event Center and Recreation Programs and Services Strategy (also known as the Reset Strategy) Accelerated Phase 1- Foundational Phase. A total of \$400,000 was included as part of the 2021-2022 Adopted Budget as "2021 Recreation Recovery Plan Startup Funding," but the funds were not appropriated. If City Council approves the appropriation, next steps would include:

- Begin work to assess current and anticipated pandemic conditions and assign resources to develop and begin implementation of "Accelerated- Phase 1" recreation and arts services.
- Communicate to the community what services would be offered and when. Establish service intentions and timelines for delivery.
- Staff would return in Q3 / Q4 with a revised budget recommendation for the 2022 fiscal year which would include a long-term staffing strategy.

It was moved by Nice; seconded by Jacobson to:

Appropriate the remaining \$328,000 of the 2021 Recreation Recovery Plan Startup Funding to begin implementation of the “Accelerated Phase 1- Foundational Phase” of the Recreation Reset Strategy and the Arts Council Immediate Action Plan.

PASSED: 7-0

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

AB 5837: Financial Status Update: FY 2020 Year-End and Budget Carryover Requests

Matt Mornick, Finance Director, reviewed the 2020 Year-End and outlined the following:

- Budget v. Actuals at Year End (General Fund and Utility Funds)
- Fund Balance Overview
- Basis for Fiscal Year 2020 Surplus:
 - General Sales Tax and B&O Tax revenues outperformed projections.
 - New Ground Emergency Medical Transport program revenues.
 - Departments generated significant expenditures savings.

Staff recommendations included:

- Immediate One-time Requests
- Total FY 2020 year-end General Fund surplus is \$2.24M
- Staff recommends using \$295,000 on mediate one-time needs:
 - Public Right-of-Way Clean-up/Replanting
 - Paid Family Medical Leave
 - Professional Services
- 2021-2022 Budget Amendments:
 - Carryovers relate to uncompleted work authorized but unspent in FY 2020.
 - Both funding and expenditure authority need to be “carried over” to the new biennium to complete the work items.

It was moved by Nice; seconded by Reynolds to:

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

PASSED: 7-0

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

It was moved by Nice; seconded by Jacobson to:

Adopt Ordinance No. 21-07, amending the 2021-2022 Biennial Budget.

PASSED: 7-0

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

It was moved by Nice; seconded by Anderl to:

Appropriate a portion of the FY 2020 budget surplus to the following:

- a) **\$100,000 for public right-of-way clean-up and replanting.**
- b) **\$45,000 to switch to the state-run Paid Family and Medical Leave plan.**
- c) **\$150,000 to hire professional services/contracts, as needed to support 2021-2022 work plan goals.**

PASSED: 7-0

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

AB 5844: Town Center Moratorium - Commercial Feasibility Analysis Discussion Continued

Jeff Thomas, Interim CPD Director, reviewed the history of the Town Center Moratorium and explained that staff was seeking direction on any additional analysis desired. Thomas outlined the following for Council considerations:

Adjust Pro Forma Inputs:

- Future Population Growth
- Per Capita Spending
- Capitalization Rate Range

No Net Loss Requirement:

- A “no net loss” code requirement is a potential path forward to preserve existing TC retail space
- Could be accomplished on a parcel-by-parcel basis through one of the following options

- a) Retain the equivalent total retail square footage at a project site through vertical mixed-use redevelopment;
- b) Retain the existing total retail footprint and square footage at a project site through the addition of multi-family residential units, creating a horizontal mixed-use development; or
- c) Some proportional combination of (a) and (b).

Thomas also outlined the Town Center Retail Frontage Requirements:

- Per code, new development north of SE 29th Street must provide ground floor street frontage commercial space for retail, restaurant, or personal services.
- 40-60% of ground floor must be designed for retail, restaurant, or personal services (40% required for developments that include public parking; 60% required for those that do not provide public parking).
- Commercial space is allowed, but not required, south of SE 29th Street in the TC.

Council asked several questions and provided the following direction to staff:

- Research former TC code requirements in moratorium area – specifically whether ground floor commercial / retail was required in areas of 39' height limit.
- Complete supplemental analysis to the April 6 CAI draft report considering changes in future population, capitalization rates and per capita spending.
- Complete a code analysis for the addition of a “no net loss” of existing commercial / retail space.

OTHER BUSINESS

Councilmember Absences

There were no absences reported.

Planning Schedule

City Manager Bon reported on the upcoming April 27 Planning and May City Council meetings.

Councilmember Reports

There were no reports provided.

ADJOURNMENT

The regular Council Meeting adjourned at 9:24 pm.

Benson Wong, Mayor

Attest:

Deborah A. Estrada, City Clerk