

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

December 12, 2011  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Davidson, Deputy Mayor Lee, and Councilmembers Balducci, Chelminiak, Degginger, Robertson, and Wallace

ABSENT: None.

1. Executive Session

Deputy Mayor Lee called the meeting to order at 6:00 p.m., and declared recess to Executive Session for approximately 30 minutes to discuss one item of labor negotiations.

The meeting resumed at 7:07 p.m., with Mayor Davidson presiding.

2. Study Session

(a) Electric Reliability Study Update – Part Two

City Manager Steve Sarkozy opened discussion regarding the Electric Reliability Study.

Sheida Sahandy, Assistant to the City Manager, introduced Walker Bak and Stig Nilsson, Principal Engineers with Exponent, to present the second half of the Electric Reliability Study performed for the City. She noted that Jim Hutchinson, Puget Sound Energy, was in attendance as well.

Walter Bak explained that the recommendations are meant to focus on what the City can do, as opposed to actions that could or might be taken by Puget Sound Energy (PSE). The recommendations are ranked based on consistency with City goals, ease of implementation, and cost/benefit considerations.

Responding to Mayor Davidson, Mr. Bak said some of the cost/benefit issues are referenced in the table. Ms. Sahandy said, however, that they have not been quantified.

Mr. Bak reviewed the list of recommendations and potential actions, which are summarized in a table distributed as a separate handout.

Mr. Bak described Exponent's recommendations to the City to: 1) Conduct an annual reliability workshop with PSE; 2) Conduct an annual planning workshop with PSE; 3) Remain active in the integrated resource planning process with PSE; 4) Adopt vegetation management policies, especially around substations; 5) Meet with PSE to understand the capabilities of the new outage management system; 6) Develop a formalized process and procedures with PSE related to emergency response; 7) Work closely with PSE to reach its long-term electric energy usage goals; 8) Continue to seek opportunities for future undergrounding of existing overhead distribution lines; and 9) Monitor regulatory activities to ensure that the City's interests are considered by the Washington Utilities and Transportation Commission (WUTC) and the state legislature.

Councilmember Degginger thanked the consultants for the extensive information, and questioned where the City should go from here. He thanked the stakeholder group for their involvement in this process. He observed that the City has a fairly reliable system, and the study has created some benchmarks upon which the City can continue to measure how it is doing. He believes that working more closely with PSE will enable the City to integrate the utility's planning with the Comprehensive Plan.

Councilmember Degginger noted that PSE interacts with the City in a number of areas, and he questioned whether there would be an advantage to having a centralized point of contact. Mr. Bak said there are good relationships between the City and PSE staff. However, formalizing the communications channels, while not necessarily assigning one point of contact, will likely be beneficial over time. With regard to the recommendations, Mr. Bak said that some subject matter expertise will be required in order to be effective in working with PSE and understanding their issues.

Deputy Mayor Lee thanked the consultants and stakeholders for their work on this important topic. Noting the comment that the recommendations are defined to be consistent with the City's goals, Mr. Lee suggested that more discussion would be appropriate to refine the City's goals with regard to electrical services reliability. He said the report is well done and it will help prepare the City to work more effectively with PSE.

Ms. Sahandy noted that staff and the consultants used the Council's Interest Statement on electric system reliability as a guiding document in incorporating the City's goals.

Mr. Bak commented that the recommendations were developed with the objective of helping the City to be an informed and active stakeholder in working with PSE.

Councilmember Chelminiak thanked staff, the consultants, and citizens for their work on this effort. He noted, as an analogy, that while the City does not provide transit services, it has staff working in that area. Similarly, the reliability of the electric system is important to the community's quality of life. He expressed support for the recommendation to assign a full-time

position to working on electric reliability issues, which he sees as a Utilities Department function.

Mr. Chelminiak said the study indicates that the local system is largely reliable with a few exceptions under certain conditions. He suggested that the Sound Transit light rail project provides the opportunity to consider undergrounding electrical lines in coordination with that project. He would like to see an electric reliability implementation plan developed over the next few months, and he would like to place this topic on the Council Retreat agenda. He observed that a connection with the WUTC is important.

Councilmember Balducci said she supports much of what has been said. However, she said it is difficult to talk about dedicating a full-time staff position to this function when other positions are being eliminated. She observed that the recommendations represent long-range developmental steps to form the basis for creating a plan for moving forward.

Ms. Balducci said it would be helpful to have PSE at the table. She feels it is important to be able to work with them to have a sense of how recommendations can be implemented. She wants to be sure to leverage as much of PSE staff's talent, time and resources in this effort. She thanked the consultants for their work and presentations.

Councilmember Robertson thanked the consultants, stakeholders group, and PSE for their work. She would like the implementation plan to address overall City staffing impacts and to provide an implementation schedule and estimated costs. She said the Comprehensive Plan is scheduled to be updated in 2014, and she questioned whether that will be the appropriate time to address this issue within the context of that update. She observed that the recommendations reflect the addition of 1.75 full-time equivalent (FTE) positions. She questioned how the work will be funded, and requested estimates on one-time versus ongoing costs.

Ms. Robertson suggested to the City Manager that, in hiring a new Director of Intergovernmental Affairs, the City consider looking for individuals with knowledge in this subject area. She questioned PSE's response to the study and overall initiative. She will need to know about PSE's response before deciding how the City should move forward.

Responding to Councilmember Degginger, Mr. Hutchinson said PSE is committed to being responsive to the communities that it serves. The study has created the opportunity for the City to be a more informed partner with PSE, and for PSE to enhance its ability to provide services to the community. Mr. Hutchinson encouraged the City to consider whether a new FTE is needed, or whether the duties fall appropriately within an existing staff position.

Councilmember Wallace said he is not clear on PSE's obligations versus the City's obligations. He noted that PSE provides gas services as well, and suggested taking a look at that as well as customer service issues. Ms. Sahandy said staff will address the role of the City in the next discussion.

Mayor Davidson observed that the recommendations are extensive, and he questioned where the Council should focus its discussion. He observed that many of the recommendations are costly, for example undergrounding utilities as well as staffing any ongoing work. He questioned the funding source for this effort.

Ms. Sahandy said the largest resource cost related to the recommendations is staff time. The recommendation on undergrounding utilities is to explore this option, but not to implement it at this point.

Mayor Davidson expressed concern with the lack of ability to control costs in public works projects, and he referred to the Brightwater Treatment Plant as an example. He wants an understanding of the long-term costs associated with the electric system reliability initiatives.

(b) Continued Discussion of Mid-Biennium Budget Update

City Manager Sarkozy recalled extensive ongoing management actions to balance the budget, and requested Council consideration of the Basic Life Support (BLS) transport user fee proposed as a new revenue source.

Finance Director Jan Hawn said staff has provided two options related to the BLS transport user fee. One reflects the originally proposed base fee of \$600, and the other proposes a base fee of \$554, which is consistent with the State Department of Labor and Industries' rate. Information on the financial assistance policy for BLS fees is provided in the meeting packet.

Ms. Hawn said a utilities tax ordinance is included in the meeting packet as well as an optional revenue source for Council consideration.

Councilmember Robertson observed that the utilities tax ordinances were not on the Council's agenda, and she was surprised to see them in the packet.

Ms. Hawn said that the suggestion to consider a utilities tax increase was made by the Council during a previous meeting. Mayor Davidson recalled that Councilmember Wallace has suggested considering the property tax, and Councilmember Chelminiak suggested utilities taxes.

Ms. Robertson said she is not prepared to act on utilities taxes tonight. Ms. Hawn said the issue can be addressed after the first of the year, as could the proposed BLS transport fee.

Responding to Councilmember Degginger, Mr. Sarkozy said that, in addition to services that have already been degraded over the past two years, the current revised Budget scales back expenditures to 2007 levels. Police and Fire positions were added in 2007-2008, anticipating the needs of a growing community. However, since that time, approximately \$20 million was cut to balance the 2010-2011 budget, and this Mid-Biennium Budget represents another \$6.5 to \$7 million in cuts.

Mr. Sarkozy said the Budget includes the reduction of Fire Department staff and four Police bicycle officer positions without laying off personnel. The Budget transfers a Police Captain position participating in the joint terrorism task force in Seattle to the Bellevue Police Department patrol ranks.

Responding to Deputy Mayor Lee, Mr. Sarkozy said the City will continue to communicate with the terrorism task force, but will not have staffing at their center. The four bicycle patrol officer positions serve in parks and other areas. They are deployed at the discretion of the Police Chief as a specialized enforcement measure. However, the City has not used them very frequently in the past.

In further response, Mr. Sarkozy said public safety positions were added in 2007-2008 in anticipation of continued growth. However, the City has not experienced growth in Police and Fire statistics that would point to the need for more personnel. There is a continuing need for aid units, but somewhat of a decline in fire responses. Mr. Sarkozy said staff has determined, reluctantly, that the City can operate at 2007 levels until the revenues rebound.

At 8:00 p.m., Mayor Davidson declared recess to the Regular Session.

Myrna L. Basich, MMC  
City Clerk

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