

**REDMOND CITY COUNCIL
STUDY SESSION**

March 24, 2009

Mayor

John Marchione

Members of the Council

Nancy McCormick, Council President

Kim Allen

David Carson

Richard Cole

Hank Margeson

Hank Myers

Pat Vache

Staff

Mike Bailey, Finance and Information
Services Director

Ron Grant, Deputy Public Works Director

Malisa Files, Financial Planning Manager

Jon Spangler, Engineering Manager

Bob Franklin, Engineering Manager

Jeanne Justice, Engineering Supervisor

Michelle M. McGehee, CMC, City Clerk

MEETING SUMMARY

Convened: 7:10 p.m.

Adjourned: 10:08 p.m.

Arts Commission Interviews

Members of the Council interviewed Ms. Bridgett Ezzard and Ms. Seema Chaudhary for appointment to the Arts Commission.

Councilmember McCormick opened the meeting and overviewed the agenda.

Performance Management & Measures

Mr. Mike Bailey, Finance and Information Services Director, and Ms. Malisa Files, Financial Planning Manager, provided the Council with an update of the work done on the City's established performance measures since the last budget conversations in this regard.

Mr. Bailey informed that:

- performance management is more than just a budget tool, it is part of the Mayor's other initiative processes as well;
- the process of establishing performance measures is really just beginning;
- staff training has been provided regarding how to establish performance measures;
- the first draft of measures have been refined since the last discussion was held;
- the focus is now of how to deliver the measures and to investigate what systems exist today that could be utilized/tailored to address the results-oriented measures;
- the task is finding a middle ground that makes sense and establishing how the measures relate to the budgeting by priorities factors;

- future discussions should establish the correct level of Council interaction and should confirm if the City is on the right track in their measures;
- the mid-biennium review will be the next check-in with Council to see if the measures are meeting their needs.

Discussion ensued regarding:

- not wanting staff to fall into a trap of managing performance measures, and compromising operational integrity because too much focus is placed on the task;
- taking advantage of systems within the City that already exist to serve tracking purposes without developing new methods where possible;
- the refinements that took place between the first and second draft presentations of the performance measures;
- the visual presentation of performance measure data to the public; state of Virginia model discussed;
- the need to measure outputs, not inputs, and measuring things within the control of the City;
- the inclusion of financial information, as well as statistic data in the reporting mechanism established to reflect performance measure management;
- establishing solid baselines for each measure;
- reporting that will take place as part of an internal and external survey with regard to performance measure data collection;
- possible combination of the Community Indicators report with the Performance Measure reporting; and
- maintaining the Community Indicators report.

(The study session recessed at 8:25 p.m. and reconvened at 8:28 p.m.)

Stormwater Utility Billing by Parcel

Mr. Jon Spangler, Natural Resources Division Manager, and Ms. Jeanne Justice, Natural Resources Engineering Supervisor, provided a presentation to the Mayor and the Members of the Council regarding stormwater utility billing by parcel. The purpose of the study session was to provide direction to staff on proceeding with implementation of the proposed stormwater billing updates. Staff recommended moving forward with the accuracy and code housekeeping updates proposed and addressing the rate adjustments in a more holistic manner with the 2010 rate study.

The presentation addressed:

- the background of stormwater billing;
- processes and goals;
 - to look to ensure that:
 - billing is in accordance with the code
 - all parcels with impervious areas are billed
 - impervious area calculations are accurate
 - impervious area is accounted for and tracked accurately
 - there is no change to the base rate of \$16.56
 - there is no back-billing that occurs

- fiscal impacts;
 - increase in revenue - \$50K/month
 - new parcels with impervious surfaces
 - existing parcels with added impervious surfaces
 - modified impervious unit truncation
 - potential decreases in revenue from two new credits and billing to property owners
 - purpose being not to increase revenue
 - program additional funds for infiltration upgrades
 - make the proposal revenue neutral
- outreach;
 - met with several groups
 - issues raised:
 - financial impacts and equity of billing for compacted gravel
 - interest in billing to single tenant on single parcel
 - concerns regarding the ability to recapture stormwater costs from tenants
 - support for rainwater harvesting credit
 - a lack of understanding about credits and if they are equitable
 - the need for credits to reflect current practices
 - interest in additional credit for school properties
- staff recommendations;
 - move forward with implementation of:
 - parcel billing to the property owner (taxpayer)
 - impervious surface calculation via aerial
 - modification of impervious unit truncation
 - code housekeeping updates
 - creation of a stormwater infiltration upgrade fund using the anticipated additional revenue
 - complete an evaluation of credits with the 2010 Rate Study
- proposed next steps;
 - to bring an ordinance forward for Council consideration on April 21, 2009
 - to send a notification letter of the proposed changes to property owners
 - to distribute a press release informing of the changes
 - to produce new bills as early as May
 - to establish a Rate Study and Credit Advisory Group in 2010
- stormwater utility success;
- stormwater fee calculations;
- fee definitions;
- how credits work in the process and a general credit comparison;
- accuracy updates;
- rate adjustments;
- code housekeeping;
 - rainwater harvesting
 - limited opting out of the regional facilities
 - clarifying code language on allowed spending for regional facilities
 - adding credit for regional facility participation

- billing methods – by parcel, by taxpayer, calculating impervious area using digitized aerials, modifying the impervious unit calculation, and clarifying billing language in the code;
- separating stormwater bills from water/sewer bills; and
- rate adjustments recommended for discussion in 2010;
 - low impact development
 - green building techniques
 - establishing what counts as impervious; compacted gravel and other surfaces
 - current vs. prior development standards
 - infiltration.

In regard to treating compacted gravel as an impervious surface, Councilmember Allen requested the best available science to be presented to the Council as they consider the policy discussion within the 2010 Rate Study for evaluation at that time.

Councilmember Margeson requested the percentage of breakdown of bills that will go up and others that will go down. He spoke to the need for a formalized process of review for existing parcels that have increased the area of billing (impervious surface) on their parcels.

Councilmember Allen stated that if a property owner can affirm with the City that an impervious surface existed on their property prior to the proposed changes, they should have an appeal process by which they can establish the “pre-existing” condition and request deferral of the payment.

General conversation ensued regarding “phasing in” of the billing increases with regard to surfaces on pre-existing identified parcels and with regard to “truncation.” It was noted that any monies collected in the interim this year will be programmed toward infiltration.

Council Talk Time

YWCA Woman’s Day Shelter Volunteer Opportunity

Councilmember Allen informed the members regarding a volunteer opportunity through the YWCA for Members of the Council to cook a meal offsite and take it to the shelter location. She advised that if the members were interested in participating, that she would call the coordinator for possible available dates. Councilmember Allen also noted that the Director’s Team could also participate.

Public Administration and Finance Committee Meeting

Councilmember Cole informed the members that the committee will meet at 4:30 p.m. on Thursday to review Capital Improvement Program information. He noted that the information had previously been emailed to the members for their review.

Suburban Cities Association (SCA)

Councilmember Cole advised that the SCA has decided not to take a position on tolling, and that he does not believe that anyone is opposed to early tolling on SR520. He advised that the next Public Issues Committee (PIC) will next meet on April 8, 2009.

Councilmember Cole also spoke to the City of Redmond's Shoreline Management plan document being used as a model by other cities.

Other Issues

- Police Department training will be held on March 25, 2009, at 6:30 p.m. regarding Neighborhood Watch;
- The most recent homeless count information will be available in Bellevue on March 25, 2009; and
- Councilmember Allen encouraged members of the Council to submit a statement on their favorite piece of public art for the next Focus Magazine edition.