

CITY OF ISSAQUAH
City Council Regular Meeting

7:00 PM
 September 17, 2018

Council Chambers
 135 E. Sunset Way

MINUTES

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Councilmembers:

Mariah Bettise
 Stacy Goodman
 Victoria Hunt
 Tola Marts
 Bill Ramos
 Chris Reh
 Paul Winterstein

Administration/Staff:

Mary Lou Pauly, Mayor
 Emily Moon, City Administrator
 Jim Haney, City Attorney
 Tisha Gieser, Deputy City Clerk

CALL TO ORDER

Mayor Pauly called the meeting to order at 7:00 PM.

PLEDGE OF ALLEGIANCE

Mayor Pauly led the Pledge of Allegiance.

SPECIAL BUSINESS

- a) ID 0336 - Diaper Need Awareness Week

Mayor Pauly proclaimed the week of Sept. 24-30, 2018 to be Diaper Need Awareness Week and strongly urged all citizens to donate generously to diaper banks, diaper drives, and those organizations that distribute diapers to families in need. Eastside Baby Corner Board member Andy Symons accepted the proclamation.

- b) ID 0337 - Welcoming Week Proclamation

Mayor Pauly proclaimed the week of Sept. 14-23, 2018 to be Eastside Welcoming Week and along with the Mayors of Bellevue, Kirkland, Redmond, and Sammamish called upon all residents to join together to build stronger communities across the Eastside. Eastside Refugee and Immigrant Coalition (ERIC) Executive Director Debbie Lacy accepted the proclamation.

AUDIENCE COMMENTS

The following public comments were provided:

David Kappler, 255 SE Andrews St., suggested that parks and open space be made more of a priority in the 2019 Legislative Agenda (AB 7665).

Jerri Potter, 26020 SE Old Black Nugget Rd., spoke regarding signatures gathered on behalf of Save Cougar Mountain at a recent community event.

COMMITTEE / REGIONAL REPORTS*Councilmember Hunt:*

- Eastside Fire & Rescue Board – Made report.
- Cascade Water Alliance Resource Management Committee – Made report. Announced upcoming meeting.

Councilmember Reh:

- Services & Safety Committee – Made report. Announced upcoming meeting.

Councilmember Ramos:

- Infrastructure Committee – Announced upcoming meeting.
- Washington State Public Works Board – Made report.
- Eastside Transportation Partnership – Made report.
- Sound Cities Association Regional Transit Committee – Announced upcoming meeting.

Councilmember Winterstein:

- Puget Sound Regional Council (PSRC) Growth Management Policy Board – Made report.
- Land & Shore Committee – Made report.
- Lodging Tax Advisory Committee – Announced upcoming meeting.

Councilmember Goodman:

- Land & Shore Committee – Announced upcoming meeting.

Deputy Council President Bettise:

- Eastside Human Services Forum Board – Announced upcoming meeting.

Council President Marts:

- Sound Cities Association (SCA) Public Issues Committee – Made report. Announced upcoming meeting.
- King County Growth Management Planning Council (GMPC) – Announced upcoming meeting.

MAYOR'S REPORT

- a) There will be an Executive Session held this evening to discuss pending and potential litigation per 42.30.110(1)(i). This item is expected to last 10 minutes. Action is anticipated to follow in open session.
- b) REGIONAL MEETINGS
 - Sept. 13 – Attended the PSRC Transportation Policy Board meeting.
 - Sept. 13 – Attended the local CREW (Construction and Real-Estate Women) Network's meeting as a panelist speaker with five other female mayors.
 - Sept. 13 – Attended the Built Green Conference as a panelist speaker with Mayor Tolbert of Arlington and Mayor Walen of Kirkland.
 - Sept. 14 – Attended Leadership Eastside's Mayor's Lunch as a panelist speaker with 11 other Eastside mayors.
- c) COMMUNITY OUTREACH
 - Sept. 4 – Attended a Ribbon Cutting ceremony for Just Poke.
 - Sept. 4 – Hosted a Q&A session with the Senior Center.
 - Sept. 6 – Attended Influence the Choice's 5 Year Celebration where the City was

presented with a plaque for Continuous Support of Youth Substance Abuse Prevention Efforts in the Greater Issaquah Area.

- Sept. 7. – Attended a Timber Ridge Community meeting as the Guest Speaker, along with Ken Konigsmark and Brookie Scholl of Talus Residents Association.
- Sept. 8 – Volunteered at Fred Meyer with the Issaquah Food Bank for the Mayor's Month of Concern for the Hungry.
- Sept. 11 – Attended the Talus Home Owner's Association meeting as a guest speaker.

d) UPDATES

Strategic Plan:

- Work is continuing on Our Issaquah, the Citywide Strategic Plan.
- An updated draft of the Vision, Mission and Guiding Principles is planned to be reviewed by the City Council at the Work Session planned for next Monday, S.
- At the Work Session, there will also be an initial look at draft Goal statements and Objectives prepared by staff work groups.
- Look for additional information and opportunities for input later this week.
- Find more information and provide feedback by visiting the City's website at issaquahwa.gov/ourissaquah.

2019 Budget:

- October is the beginning of budget discussions. The Mayor's Budget will be presented to Council and a series of meetings to review and discuss the proposed budget will be held. Approval is anticipated at a December Council Meeting.

Teen Center:

- The new teen center, "The Garage," located by the Community Center, will have its grand opening this Saturday at 235 1st Ave. SE.

CONSENT CALENDAR

Items listed were distributed to Councilmembers in advance for study and were enacted with one motion.

IT WAS MOVED BY MARTS, SECONDED BY BETTISE; MOTION CARRIED (7-0), TO APPROVE THE CONSENT AGENDA AS PRESENTED.

- a) ID 0272 - Accounts: Payables and Payroll of Sept. 17, 2018, \$ 5,648,258.53; **Approved.**
- b) Minutes: City Council Special Meeting, Sept. 4, 2018; **Approved.**
- c) Minutes: City Council Regular Meeting, Sept. 4, 2018; **Approved.**
- d) Minutes: Council Committee Work Session, Sept. 10, 2018; **Approved.**
- e) AB 7339 - Holiday Inn Lift Stations Revisions Project; **Referred AB 7339 to the Sept. 20, 2018 Council Infrastructure Committee for review and recommendation, returning to the full Council on Oct. 1, 2018.**
- f) AB 7635 - Vacation of a Portion of NE Gilman Blvd.; **Approved Resolution No. 2018-14, setting the public hearing on the petition to vacate a portion of NE Gilman Blvd. for the Council meeting of Oct. 15, 2018, returning to the full Council on Nov. 5 for final action.**

- g) AB 7658 - Amendments to Medical Plan for 2019; **Approved Resolution No. 2018-15, reaffirming commitment to self-insuring medical benefits, and adopting the self-insured health benefits plan as modified by this resolution; and Approved the proposed benefit additions of vision hardware and a second preferred provider network option to the City's medical insurance program with the understanding that the vision benefit will be offered to exempt, non-represented and ASA covered employees, and the preferred provider network option will be incorporated in the self-insured medical plan and offered to all employee groups; and Authorized the Mayor to enter into the appropriate agreements with represented employees to incorporate these changes.**
- h) AB 7664 - Amendments to IMC 5.02 Business Licenses; **Adopted Ordinance No. 2843, amending Chapter 5.02 of the Issaquah Municipal Code related to business licenses to add a definition for "engaging in business," change the threshold for requiring a business license, and add a new subsection for the licensing requirement for businesses contracting with the city; amending Chapter 5.04 to amend the definition of "engaging in business;" providing for severability and establishing an effective date of January 1, 2019.**
- i) AB 7671 - Local Hazardous Waste Management Program Grant; **Authorized submittal of a grant application for Local Hazardous Waste Management Program grant funds for 2019-2020 to support a hazardous materials awareness campaign and collection.**
- j) AB 7675 - Surplus Office Supplies, Furniture and Equipment; **Declared items listed as surplus and authorized disposal.**

PUBLIC HEARING

- a) AB 7605 - 2018 First Budget Amendment

Introduced by Mayor Pauly and presented by Jennifer Olson, Finance Director.

Mayor Pauly opened the public hearing at 7:52 PM.

There being no public comments, the public hearing was closed at 7:53 PM.

Following Council discussion,

IT WAS MOVED BY REH, SECONDED BY BETTISE, TO:

Adopt Ordinance No. 2844, amending the 2018 budget as set forth in Ordinance No. 2818 concerning revenues, expenditures and fund balance for various funds for the year 2018 and authorizing the Finance Director to make the necessary adjustments and approving prior expenditures.

MOTION CARRIED, 7-0.

REGULAR BUSINESS

- a) AB 7654 - Puget Sound Energy Green Direct 2 Agreement

Introduced by Mayor Pauly and presented by David Fujimoto, Director of the Office of Sustainability. Following Council discussion,

IT WAS MOVED BY REH, SECONDED BY HUNT, TO:

Authorize the Mayor to enter into and execute the Green Direct 2 Agreement with Puget Sound Energy over an 18 year-term.

MOTION CARRIED, 7-0.

- b) AB 7665 - 2019 Legislative Agenda

Introduced by Mayor Pauly and presented by Gene Paul and Liesl Olson, Management Analysts. Following Council discussion,

IT WAS MOVED BY REH, SECONDED BY GOODMAN, TO:

Direct the Administration to engage the public on the legislative agenda (AB 7665) before Oct. 1, 2018; and refer AB 7665 to a Special Council Services & Safety Committee meeting on Sept. 25, 2018 returning to the full Council on Oct. 1, 2018 for action.

MOTION FAILED, 3-4. (Proponents: Goodman, Hunt, Reh)**IT WAS MOVED BY MARTS, SECONDED BY BETTISE, TO:**

Approve the 2019-2021 Legislative Agenda as presented.

IT WAS MOVED BY HUNT, SECONDED BY REH, TO:

Amend the 2019-2021 Legislative Agenda to add a policy statement in the policy manual under the category of Environment/Natural Resources that, as the first bullet, states:

- “The City of Issaquah will pursue opportunities to grow and/or enhance the City's open spaces through partnership, acquisitions and/or policy changes.”

AMENDMENT CARRIED, 7-0.**MAIN MOTION AS AMENDED CARRIED, 5-2. (Opponents: Goodman, Reh)****GOOD OF THE ORDER**

- a) *Council President Marts:*
Comprehensive Community Engagement Policy – Pledge to develop a policy. Welcome feedback in coming weeks.
- b) *Mayor Pauly:*
Upcoming Council Meetings – Announced anticipated agenda items.

EXECUTIVE SESSION

At 9:55 PM, Council recessed into Executive Session for the purpose of discussing pending and potential litigation per 42.30.110(1)(i). The item was expected to take approximately 10 minutes. The session was extended by 10 minutes.

REGULAR BUSINESS – CONT.

Mayor Pauly reconvened the open session at 10:17 PM.

IT WAS MOVED BY MARTS, SECONDED BY WINTERSTEIN, TO:

Authorize the City Attorney to commence litigation against American Tower as discussed in Executive Session.

MOTION CARRIED, 7-0.

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 10:18 PM.

Tisha Gieser, Deputy City Clerk

Mary Lou Pauly, Mayor

**CITY OF ISSAQUAH
Special Council Committee Work Session**

6:30 PM
September 24, 2018

MINUTES

Council Chambers
135 E. Sunset Way

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Councilmembers:

Mariah Bettise
Stacy Goodman
Victoria Hunt (*Excused Absence*)
Tola Marts
Bill Ramos
Chris Reh
Paul Winterstein (*Excused Absence*)

Administration/Staff:

Emily Moon, City Administrator

CALL TO ORDER

Council President Marts called the meeting to order at 6:30 PM.

AGENDA ITEMS

- a) **ID 0301 - Central Issaquah Zoning for Old Route 10 (East Gilman Blvd.) and Intensive Commercial Areas**

Presented by:

Trish Heinonen, Policy Planning Manager

The following public comment was provided:

Sam Kyle, 371 NE Gilman Blvd., expressed support for Option 3 for the Intensive Commercial and Destination Retail Parcels as shown in the staff memo provided in the agenda materials.

- b) **ID 0256 - Citywide Strategic Plan**

Presented by:

David Fujimoto, Sustainability Director

Brian Scott, BDS Planning

Gabriel Silberblatt, BDS Planning

The following public comment was provided:

Mel Morgan, Issaquah resident, offered input on the Growth & Development and Mobility goals. Mr. Morgan also suggesting adding housing and education to the Vision, Mission, and Guiding Principles.

ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 9:07 PM.

Christine Eggers, City Clerk

Tola Marts, Council President



Holiday Inn Lift Stations Revisions Project

Proposed Council Action:
Approve Resolution Rejecting Bids

DEPARTMENT OF	PWE - Public Works Engineering, Matt Ellis
COUNCIL LIAISON	Councilmember Ramos
OTHER COUNCIL MEETINGS	Sept. 17, 2018
COMP PLAN POLICY NOS.	U - A4, U-D3
OTHER POLICIES	n/a
EXHIBITS	A. Bid Tabulation B. Proposed Resolution

SUMMARY STATEMENT

This agenda bill requests City Council action to reject all bids for the Holiday Inn Lift Stations Revisions Project and rebid the project in January, 2019.

The City received three bids for this project, ranging from \$795,000 to \$834,000. The Engineer's estimate for this project was \$556,000. The responsive low bidder was Gary Harper Construction, Inc. There are currently inadequate funds to complete the project without authorization of additional funds from the Sewer Capital Fund.

Project Description

This project is the second of two sewer projects to be constructed in the commercial area in the vicinity of Costco and Pickering Place as part of the approved Capital Improvement Plan (CIP) for Pickering Basin Improvements. The first project improved the Pickering Lift Station earlier this year.

This project would install new sewer infrastructure that replaces the existing city lift station that is located within the roadway of 12th Ave NW. The existing lift station needs to be replaced for the following reasons:

- | It was designed to be temporary but has been in service for 45 years and is in increased need of maintenance.
- | Since the existing lift station is located within the roadway, it is difficult to maintain without causing impacts to traffic and safety concerns for maintenance workers.
- | Surface water runoff enters the existing pump station from the roadway (which is considered clean water 'inflow' and adds hydraulic load to the sewer system).
- | The present location of the pump station conflicts with the 12th Avenue and NW Sammamish Road Intersection project improvements that are on the current CIP and planned for construction in 2020 or 2021 under the amended Costco Development Agreement.

The existing lift station serves two properties: City Hall NW and the Holiday Inn. By providing new sewer service to these properties, the project allows the existing lift station to be demolished. This project will greatly improve the reliability of sewer service for City Hall NW and the Holiday Inn.

Specific project elements include:

- | installation of two separate side sewer lift station systems at the City Hall NW and Holiday Inn
- | discharge piping, electrical and controls, site restoration
- | demolition of the existing lift station once the new lift stations are placed into service.

An agreement with the management of the Holiday Inn (Issaquah Hospitality LLC) has been executed, transferring ownership, operation and maintenance of their new side sewer infrastructure and lift station from the City to Issaquah Hospitality LLC, upon project completion. Various City Departments including Public Works Operations and Facilities have collaborated on the future responsibilities for operation and maintenance of the City Hall NW lift station and side sewer.

Bid Results

Bids were opened for the Holiday Inn Lift Stations Revisions Project on Aug. 29, 2018. The low responsive bidder was Gary Harper Construction, Inc. with a bid of \$794,488.20. The current budget for this project is \$744,000, which includes approximately \$350,000 for work on the Pickering Lift Station completed earlier this year and 2018 costs for the design, permitting, inspection and contingency for the Holiday Inn Lift Station Project. The Financial Information section of the agenda bill provides a more detailed breakdown of costs for this project.

The expectation had been to complete the project in either late spring or early fall, to coincide with off-season lower vacancy period for Holiday Inn as a portion of the work will occur within the Holiday Inn parking lot.

Alternatives

Given the bid results, the City has three viable options available for this project:

- l Option 1 (Preferred alternative) – Reject all bids and rebid in January 2019.
- l Option 2 – Award the bid to the apparent low bidder and authorize an additional \$375,000 out of the Sewer Capital Fund.
- l Option 3 – Reject All Bids and construct the sewer improvements as part of the 12th Avenue NW and NW Sammamish Road Intersection Project.

If Option 1 is selected, the project would rebid in early 2019. This option would require authorizing additional funds out of the Sewer Capital Fund as the current budget for this project is inadequate. Prior to rebidding the project, City staff would evaluate the design to determine ways to provide cost savings. Staff also anticipates more competitive bids in early 2019, during a period when constructors are less busy. These factors would provide a net savings in costs as opposed to awarding the contract now. If Option 1 is selected, the contractor would be able to purchase the lift station components upon contract award, with the anticipation to construct the project in either late spring 2019, or early fall 2019. The City would work with Holiday Inn to select an acceptable construction interval within their parking lot.

If Option 2 is selected, the contractor would be able to purchase the lift station components upon contract award, with anticipation to construct the project in late spring 2019. Construction costs are projected to be slightly higher than if the project was rebid in the early spring of 2019. Though the lift stations are anticipated to be fabricated and ready to install in November, due to wet weather, higher holiday shopping season traffic along 12th Ave NW and high holiday occupancy at Holiday Inn the work would be postponed until the spring (subject to Issaquah Hospitality LLC approval). Awarding the contract now would reduce the risk of the existing lift station failing and move all facilities out of the right of way in preparation for the future 12th Avenue and NW Sammamish Road Intersection Improvement Project.

If Option 3 is selected, work would coincide with the improvements occurring at the intersection of 12th Avenue NW and NW Sammamish Road in 2021. Combining the two projects could reduce the cost for certain construction components, but could require a longer period of construction at the intersection. Costs for construction projects continue to increase in the Puget Sound Region. Construction costs are projected to increase by approximately 5% per year between now and 2021. Additionally, the existing lift station is nearing the end of its functional life, and maintenance and repair work is becoming more frequent and costly to keep the lift station in service until the intersection project is constructed. It is projected that approximately \$15,000 a year is needed in operation and maintenance costs to keep the existing lift station in service. Delaying the

project until 2021 would result in authorizing an additional \$440,000 out of the Sewer Capital Fund in 2021.

Conclusion

The Administration recommends Option 1, rebidding the project in early Spring 2019, with the anticipation of receiving more competitive bids during a period when constructors are less busy. The original design will be evaluated in an effort to reduce the construction cost of the project. The delay in construction is minimal and will ensure maintenance of the existing station is minimized and all facilities are out of the right of way in preparation for the future 12th Avenue and NW Sammamish Road Intersection Improvement Project.

State law (RCW 35.23.352) requires that rejection of bids occur by resolution. A resolution to reject the bids is attached as Exhibit B.

Timing

It is recommended this agenda bill be referred to the Council Infrastructure Committee for review. The City has 45 days from the bid opening to accept or reject bids. Action will be required on the agenda bill at the Oct. 1, 2018 Council meeting.

Financial Information:

The Pickering Lift Station Improvements, a 2017 reauthorization project, was included in the 2018 Sewer Capital Fund budget at \$556,000 for the project work. This project was not included in the 2018-2022 CIP as it had already been started. An increased re-authorization of the 2017 project in the amount of \$188,000 is currently included in the pending 2018 Budget Amendment agenda bill (AB 7605). Including this re-authorization amount, the total budget available for the Pickering Basin Improvements would be \$744,000.

To date, the project has cost approximately \$164,000 for improvements to a nearby lift station (Pickering Lift Station) as well as design and encumbrances for the Holiday Inn and City Hall NW lift stations. The remaining budget for this project is \$580,000. This is not enough spending allocation for the project based on bids received.

The table below shows the projected construction costs for three options to address the estimated additional costs, including construction management, permitting, staff time, and a 10% contingency and the additional funds necessary to complete the project:

	Estimated Construction Costs	Remaining Budget	Additional Funds Necessary
	(Including construction, project management, permitting & contingency)		
Option 1: Rebid in January 2019	\$930,000*	(\$580,000)	\$350,000
Option 2: Award Bid in 2018	\$955,000	(\$580,000)	\$375,000
Option 3: Combine with 12th Avenue Int. Project in 2021	\$1,020,000**	(\$580,000)	\$440,000

*This is an estimate. It is anticipated that the low bid would come in \$25,000 less than the current bids due to the off-season timing and re-evaluation of certain design components.

**Reflects 5% annual rate of inflation for the construction contract and \$15,000 per year in prolonged maintenance of the existing facility.

Administration's Recommendation:

Approve the proposed resolution rejecting all bids for the Holiday Inn Lift Stations Revisions Project; and rebid the project in January 2019.

Update:

On Sept. 20, 2018 the Council Infrastructure Committee met to review AB 7339. The project background and current alternatives were presented by staff. Council members inquired about the location of the existing lift station and responsibilities of the new Holiday Inn station, once built. The also asked for clarification of the schedule for the 12th Avenue Intersection Project. Public comment consisted of a request to have a map showing the location of the project features at future public meetings.

Following discussion, the Committee unanimously recommended approving the resolution rejecting all bids for the Holiday Inn Lift Stations Revisions Project and rebidding the project in early 2019. The Committee requested this item be placed on the Consent Agenda of the Oct. 1, 2018 Council meeting.

Alternative(s):

- 1) Reject all bids and rebid in January 2019. [Impact: This option will require authorization of additional funds out of the 2019 Sewer Capital Fund.]
- 2) Award the bid to the apparent low bidder and authorize an additional \$375,000 out of the 2018 Sewer Capital Fund.
- 3) Reject all bids and construct the sewer improvements as part of the 12th Avenue NW and NW Sammamish Road Intersection Project. [Impact: This option will require authorization of additional funds out of the Sewer Capital Fund by 2021. This alternative would require the project to be updated and added to the 2020-2024 CIP.]

RECOMMENDATION

Council Infrastructure Committee / Bill Ramos, Chair:

MOVE TO:

~~Refer AB 7339 to the Sept. 20, 2018 Council Infrastructure Committee for review and recommendation, returning to the full Council on Oct. 1, 2018.~~

MOVE TO: Approve Resolution No. _____, rejecting any and all bids received on the Holiday Inn Lift Station Revisions Project, SEWR15001.