



BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND, WA

AB 5551
April 16, 2019
Study Session

Table with 3 columns: PROPOSED COMMUTER PARKING AND MIXED-USE PROJECT UPDATE, Action: Receive update., and checkboxes for Discussion Only, Action Needed (Motion, Ordinance, Resolution).

Table with 2 columns: DEPARTMENT OF (City Manager (Julie Underwood)), COUNCIL LIAISON (n/a), EXHIBITS, 2018-2019 CITY COUNCIL GOAL (1. Prepare for Light Rail and Improve Mobility), APPROVED BY CITY MANAGER.

Table with 3 columns: AMOUNT OF EXPENDITURE (\$ n/a), AMOUNT BUDGETED (\$ n/a), APPROPRIATION REQUIRED (\$ n/a).

SUMMARY

The purpose of this agenda bill is to provide an update on progress related to the development of the Memorandum of Understanding (MOU) with MainStreet Property Group LLC for the Proposed Commuter Parking Project located at 7810 SE 27th Street, also known as the Tully's property.

BACKGROUND

In anticipation of the impacts of the closure of the I-90 reversible center roadway, the City reached a Settlement Agreement with Sound Transit (see AB 5346), which provides \$10.05 million toward projects to offset the impacts of the East Link light rail project. In response to the community's call for more commuter parking, the City Council negotiated funds that would be used (\$4.41 million) for transit commuter parking stalls, to be constructed no later than December 31, 2025. The April 2018 Community Survey (see AB 5440), which confirms the community's desire for more commuter parking, showed that 59% of respondents were unsatisfied with the availability of commuter parking, and the majority of respondents selected commuter parking as their top transportation priority.

At its meeting on June 5, 2018, the City Council authorized the City Manager to execute a Purchase and Sale Agreement with the Parkway Management Group, et al., to acquire the former Tully's property, located at 7810 SE 27th Street (see AB 5434). This property will be combined with a small portion of adjacent land the City already owns at Sunset Highway, known as Parcel 12, with the intent to develop the properties through a public-private partnership to build an underground, transit commuter parking facility and potential mixed-use Town Center development (see AB 5418). The City is currently in the due diligence process and closing is expected in 2019.

For the City to provide commuter parking for its residents, the Settlement Agreement limits Sound Transit's contribution to a minority share (49 percent) of the overall development costs, meaning the City is responsible for the remaining and majority costs (51 percent) of the parking facility. The City intends to use the value of Parcel 12 at Sunset Highway as its match against the Sound Transit funds. In addition, the City would like to leverage its current land on Sunset Highway, future acquisition of the Tully's property, and the development rights on these combined parcels to a developer in efforts to reduce the taxpayers' contribution that would otherwise be required to support transit commuter parking construction costs in excess of the City's land contribution and Sound Transit's funding contribution.

This public-private partnership presents an opportunity to significantly reduce a City contribution of funds (other than the Sound Transit contribution) by utilizing City-owned land in a key geographic location that supports long-term, transit commuter parking for Mercer Island.

Additionally, this proposed project could provide the Mercer Island Center for the Arts an alternate location for its future home. In 2018, MICA conducted a robust visioning process to gauge whether Islanders valued the arts and supported a theatre and performance arts space (see [MICA's Community Visioning Report](#)). This project provides a unique opportunity to realize several community benefits in the Town Center.

### **PROJECT PARTNER SELECTED: MAINSTREET PROPERTY GROUP LLC**

While the City has yet to close on the Tully's property, it was determined that early involvement, through a Request for Qualifications (RFQ) process, with a reputable developer to design and construct a commuter parking and mixed-use project will increase the likelihood the project will be on-time and on-budget.

Council reviewed draft RFQ criteria and the selection process at its July 17, 2018 meeting (see [AB 5444](#)), and subsequently approved the RFQ at its August 28, 2018 meeting (see [AB 5459](#)). Staff issued the [RFQ](#) on August 30, 2018. The RFQ attracted the interest of nine qualified development teams.

Following a thorough evaluation, interview, reference checking process, and community open house, the City narrowed the field of potential commuter parking and mixed-use development partners to two finalists: MainStreet Property Group LLC and Shelter Holdings / Weinstein A+U. On November 26, 2018, both teams made presentations and received questions from the City Council (see [AB 5499](#)).

In early December, MainStreet Property Group LLC and Shelter Holdings / Weinstein A+U, presented a joint proposal to merge both organization's proposals. As a result of these discussions, MainStreet Property Group LLC ("MainStreet") is the developer of the project, and Weinstein A+U is the lead architect and planner. GGLO Design remains on the MainStreet team as the interior designer for the project.

### **MEMORANDUM OF UNDERSTANDING (MOU)**

On January 15, 2019, City staff presented to Council a resolution to move forward with negotiating an MOU between the City and MainStreet (see [AB 5527](#)). The MOU will establish that the City is entering exclusive negotiations; the exclusivity provision is the only binding provision of the MOU.

The MOU will include high-level business terms that will be the foundation for a future development agreement, including the following project objectives:

- Achieving a minimum of 100 dedicated and up to 50 shared commuter parking spaces for the least cost to Mercer Island taxpayers as part of an aesthetically-pleasing, well-designed, gateway mixed-use development; and
- The potential provision of a Mercer Island Center for the Arts ("MICA") theater and performance space, provided the inclusion is feasible and MICA meets its funding milestones to construct, operate, and maintain its portion of the Project as determined by MainStreet.

## **CITY OF MERCER ISLAND PROJECT TEAM**

On March 19, 2019, the City Council authorized a contract with Matt Anderson of Heartland LLC to assist the City as the lead negotiator in the development of the MOU (see [AB 5541](#)). Heartland is working closely with outside legal counsel Tom Brubaker of Lighthouse Law Group, who was retained to augment the City's legal team. Jeff Kray with the Marten Law Group is serving as outside environmental legal counsel and is leading negotiations with known polluter BP/ARCO for the clean-up of 7810 SE 27<sup>th</sup> Street (Tully's Property) and the adjacent portion of Sunset Highway to the north.

Parks and Recreation Director Jessi Bon was recently designated as the Project Manager for this project. Director Bon will be working closely with City Manager Julie Underwood to ensure project goals and milestones are met, consistent with the original project vision. Community Planning Director Evan Maxim is serving on the team as a key advisor regarding land use entitlements and permitting. City Attorney Kari Sand, who recently announced her resignation from the City, is anticipated to be retained via contract to continue as in-house legal counsel for this project. The terms of her future contract are still being discussed. Assistant City Attorney Bio Park is also providing legal support on this project. Finally, Senior Project Manager Kirsten Taylor will continue her work on Sound Transit integration.

## **UPDATE ON MOU NEGOTIATIONS**

Tonight's study session is one of several periodic updates intended to report on the progress of the MOU negotiations. In addition, Paul Shoemaker, Executive Director of MICA, will provide a brief update on their planning and fundraising efforts.

The City's negotiating team has been meeting weekly with MainStreet to negotiate the terms of the MOU including:

- The components of the project (e.g. commuter parking, number of residential units, commercial space, inclusion of MICA etc.)
- Community outreach plan that identifies opportunities for continued community engagement at various points throughout the process, such as open houses, development of a project website, and Design Commission review.
- Required MainStreet responsibilities and commitments.
- Required City responsibilities and commitments.
- Coordination of contamination remediation for the Project Site.
- Project requirements, including but not limited to property acquisition and land use entitlements.
- Coordination with adjacent property owners and WSDOT.
- Project schedule and critical path for key work items.
- Guidelines for the development of future operating and maintenance agreements.
- Closing/real estate deal terms to be memorialized and included in a future development agreement or other legally-binding contract between the City and MainStreet that will result in the desired development on the Project Site.

Timing is of the essence in completing this MOU to ensure the new commuter parking facility opens concurrently with the opening of the Sound Transit Station. Staff will continue their negotiation work and anticipate bringing an MOU for City Council review and approval in early-mid Summer.

## **RECOMMENDATION**

*City Manager*

Receive update. No action required.



**BUSINESS OF THE CITY COUNCIL  
CITY OF MERCER ISLAND, WA**

**AB 5555  
April 16, 2019  
Special Business**

<b>NATIONAL EDUCATION AND SHARING DAY PROCLAMATION</b>	<b>Action:</b> Proclaim April 16, 2019 as Education and Sharing Day in the City of Mercer Island.	<input type="checkbox"/> Discussion Only <input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
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<b>DEPARTMENT OF</b>	City Manager (Julie Underwood)
<b>COUNCIL LIAISON</b>	n/a
<b>EXHIBITS</b>	1. Education and Sharing Day Proclamation
<b>2019-2020 CITY COUNCIL PRIORITY</b>	n/a
<b>APPROVED BY CITY MANAGER</b>	

<b>AMOUNT OF EXPENDITURE</b>	\$	n/a
<b>AMOUNT BUDGETED</b>	\$	n/a
<b>APPROPRIATION REQUIRED</b>	\$	n/a

**SUMMARY**

Founded by President Jimmy Carter in 1978, Education and Sharing Day is in honor of, Rabbi Menachem Mendel Schneerson, commonly known as ‘The Rebbe’, who was considered one of the greatest 20th Century spiritual leaders.

Rabbi Schneerson was a widely respected scholar and leader of faith who believed in the potential of all persons and sought to empower young people through education, character development, and civic pride. Throughout his long and distinguished life, Rabbi Schneerson inspired millions of people, across multiple generations, through his example of compassion, wisdom, and courage in the face of oppression. He recognized that access to education, paired with moral and spiritual development, could transform the world for good, and he devoted his life to these principles.

The Rebbe believed that society should “make a new commitment to kindness,” and he helped to establish education and outreach centers offering social service programs and humanitarian aid around the world. Thanks to his drive and dedication, these educational and social service centers can be found in every state and throughout the world.

Like Rabbi Schneerson’s teachings, Mercer Island also values education and character development as demonstrated through its educational community’s vision, mission, and values. Here are a few examples:

- Mercer Island School District Vision 2020 states, “Our students will thrive in the cognitive, digital, and global world while sustaining their passion and inspiration for learning.”

- French-American School Vision states, “Our Vision is to inspire the next generation of global citizens to learn, understand, and act wisely in a multicultural world.”
- Northwest Yeshiva High School is “designed to provide learners with the skills and knowledge necessary to become not just effective community leaders, but also ethical, thinking individuals.”

Accepting the proclamation at the meeting on Tuesday night is Rabbi Nissan Kornfeld, Executive Director of Chabad Mercer Island. Rabbi Kornfeld received his Rabbinical Ordination and Bachelors of Jewish studies from Rabbinical College of America, Morristown, New Jersey. Before moving back to the Seattle area, Rabbi Nissan Kornfeld was a Judaic Studies teacher at Yeshiva Darchai Menachem in Brooklyn, New York. Additionally, he has led Jewish educational experiences in diverse Jewish communities around the world including Newfoundland, Kazakhstan and Lithuania.

## **RECOMMENDATION**

*City Manager*

Mayor presents the proclamation and proclaims April 16, 2019 as Education and Sharing Day in the City of Mercer Island.



## City of Mercer Island, Washington

# Proclamation

**WHEREAS**, excellence in education is vital to the success of our nation and our state; and in the City of Mercer Island, we seek the advancement of our residents and look to provide each child and adolescent with a good education; and

**WHEREAS**, education develops intellect through lessons in literacy, math, and science and prepares our students for the responsibilities and opportunities of the future; and

**WHEREAS**, one of the spiritual giants of our time and our nation, the Rebbe, Rabbi Menachem Schneerson, dedicated his life to the promotion of education as the cornerstone of humanity and instilled the hope for a brighter future into the lives of countless people in America and across the globe; and

**WHEREAS**, the Rebbe taught that education, in general, should not be limited to the acquisition of knowledge and preparation for a career, but to building character, with an emphasis on the moral and ethical values that are the bedrock of society from the dawn of civilization, when they were known as the seven principles of Noahide Code; which have often been cited as a guarantee of fundamental human rights; and

**WHEREAS**, in recognition of the Rebbe's outstanding and lasting contributions toward improvements in world education, morality, and acts of charity, he has been awarded the Congressional Gold Medal, and the United States Congress has established his birth date as a national day to raise awareness and strengthen the education of our children; and

**WHEREAS**, the President of the United States has paid recognition to the Rebbe's vision each year on that day by proclaiming it "Education & Sharing Day USA"; and

**WHEREAS**, the character of our young people is strengthened by serving a cause greater than self and by the anchor of virtues, including courage and compassion. By instilling a spirit of service in our children, we create a more optimistic future for them and our City;

**NOW, THEREFORE**, I, Debbie Bertlin, Mayor of the City of Mercer Island, do hereby proclaim April 16, 2019 as

## EDUCATION AND SHARING DAY

in the City of Mercer Island and I encourage all people in our City to reach out to young people to create a better, brighter, and more hopeful future for all.

**APPROVED**, this 16th day of April 2019

\_\_\_\_\_  
Mayor Debbie Bertlin

Proclamation No. 238



CERTIFICATION OF CLAIMS

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Mercer Island, and that I am authorized to authenticate and certify to said claim.

Charles L. Corder  
Finance Director

I, the undersigned, do hereby certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

<u>Report</u>	<u>Warrants</u>	<u>Date</u>	<u>Amount</u>
Check Register	197545 -197577	3/28/2019	\$ 30,801.32
	197578 - VOID		
	197579 -197640	3/28/2019	\$ 1,008,171.78
	197641 - VOID		
	197642 – 197734	4/04/2019	\$ 300,777.59
			<b>\$ 1,339,750.69</b>

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00197545	03/28/2019	ABBOTT, RICHARD LEOFF1 Medicare Reimb		APR2019B	03/25/2019	151.60
00197546	03/28/2019	ADAMS, RONALD E LEOFF1 Medicare Reimb		APR2019B	03/25/2019	169.30
00197547	03/28/2019	ALTUS TRAFFIC MANAGEMENT LLC CAST IN PLACE	P0103201	NW057345	12/16/2018	7,262.06
00197548	03/28/2019	AUGUSTSON, THOR LEOFF1 Medicare Reimb		APR2019B	03/25/2019	168.00
00197549	03/28/2019	AUTO SPA 100 CAR WASH COUPONS	P0103049	4004	03/08/2019	1,090.00
00197550	03/28/2019	AWC APRIL 2019		OH011446	03/26/2019	367.90
00197551	03/28/2019	BANBURY, EVA Snow Day Refund	P0103140	OH011425	03/21/2019	28.00
00197552	03/28/2019	BARNES, WILLIAM LEOFF1 Medicare Reimb		APR2019A	03/25/2019	1,815.81
00197553	03/28/2019	BOOTH, GLENDON D LEOFF1 Medicare Reimb		APR2019B	03/25/2019	168.00
00197554	03/28/2019	CALLAGHAN, MICHAEL LEOFF1 Medicare Reimb		APR2019B	03/25/2019	164.40
00197555	03/28/2019	CENTURYLINK PHONE USE MAR 2019		OH011445	03/16/2019	59.69
00197556	03/28/2019	CHARTER CONSTRUCTION INC 1709-193 Refund Water Service	P0103118	1709193	03/12/2019	269.10
00197557	03/28/2019	CLERK OF COURT PAYROLL EARLY WARRANTS		28MAR2019	03/15/2019	616.50
00197558	03/28/2019	COMCAST CITY HALL HIGH SPEED INTERNET	P0102379	OH011403	03/12/2019	111.45
00197559	03/28/2019	COMCAST MICEC - High Speed Connection	P0102461	OH011426	03/11/2019	165.78
00197560	03/28/2019	COOPER, ROBERT LEOFF1 Excess Benefit		APR2019A	03/25/2019	1,566.16
00197561	03/28/2019	COSTCO 2019 Annual Membership renewal	P0103143	OH011427	03/21/2019	180.00
00197562	03/28/2019	DEEDS, EDWARD G LEOFF1 Medicare Reimb		APR2019B	03/25/2019	211.50
00197563	03/28/2019	DEP HOMES COLUMBIA LLC 1702-022 Refund Water Service	P0103114	1702022	03/18/2019	169.12
00197564	03/28/2019	DEVENY, JAN P LEOFF1 Medicare Reimb		APR2019B	03/25/2019	168.00
00197565	03/28/2019	DOWD, PAUL LEOFF1 Medicare Reimb		APR2019B	03/25/2019	159.40
00197566	03/28/2019	DUNBAR ARMORED MARCH19 Armored Car Service	P0103112	4369587	03/01/2019	2,238.54
00197567	03/28/2019	EASTSIDE HUMAN SERVICES FORUM Annual membership dues	P0103120	OH011428	02/20/2019	1,000.00
00197568	03/28/2019	ELSOE, RONALD LEOFF1 Medicare Reimb		APR2019B	03/25/2019	169.50
00197569	03/28/2019	FARALLON CONSULTING LLC PHASE 3 TECHNICAL SERVICES FOR	P0099477	0032067	03/14/2019	7,759.95
00197570	03/28/2019	FERGUSON ENTERPRISES INC HANDHELD BATTERY	P0103099	0745419	03/05/2019	231.00



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Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00197571	03/28/2019	FLAGSHIP MARITIME Marine Patrol training course	P0103122	915130	03/15/2019	1,365.00
00197572	03/28/2019	FORSMAN, LOWELL LEOFF1 Medicare Reimb		APR2019B	03/25/2019	135.50
00197573	03/28/2019	GEMPLER'S INC INVENTORY PURCHASES	P0103045	0437508/6732/814	02/21/2019	631.09
00197574	03/28/2019	GET Washington PAYROLL EARLY WARRANTS		28MAR2019	03/15/2019	250.00
00197575	03/28/2019	GOODMAN, J C LEOFF1 Medicare Reimb		APR2019B	03/25/2019	194.20
00197576	03/28/2019	GRAINGER INVENTORY PURCHASES	P0103012	9112035689	03/11/2019	797.31
00197577	03/28/2019	H D FOWLER 3/4" HOSE BIBB VACUUM BREAKERS	P0103021	I5081455	03/08/2019	967.46
					Total	<u>30,801.32</u>

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Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00197579	03/28/2019	HAGSTROM, JAMES LEOFF1 Medicare Reimb		APR2019B	03/25/2019	216.50
00197580	03/28/2019	HALL, MARK A 1701-218 Refund Water Service	P0103116	1701218A	03/12/2019	341.37
00197581	03/28/2019	HILTNER, PETER LEOFF1 Medicare Reimb		APR2019B	03/25/2019	556.00
00197582	03/28/2019	HOME DEPOT CREDIT SERVICE WATER FITTINGS & PIPE	P0103040	0145790013461	03/14/2019	328.04
00197583	03/28/2019	INTERIOR FOLIAGE CO, THE CITY HALL INTERIOR LANDSCAPING	P0103127	40994	03/01/2019	760.10
00197584	03/28/2019	INTERSTATE BATTERY SYSTEMS FL-0446 REPAIR PARTS	P0103131	61246663	03/18/2019	361.79
00197585	03/28/2019	JAYMARC CUSTOM HOMES LLC 1807-255 Refund Water Service	P0103117	1807255	03/12/2019	338.17
00197586	03/28/2019	JOHN DAY HOMES 1704-224 Refund Water Service	P0103115	1704224	03/12/2019	179.10
00197587	03/28/2019	JOHNSON, CURTIS LEOFF1 Medicare Reimb		APR2019A	03/25/2019	1,000.98
00197588	03/28/2019	KAISER PERMANENTE OF WA FA-2745 completed. Returning	P0103110	FA2745	03/17/2019	122.00
00197589	03/28/2019	KAPSNER, JEFF 1804-112 Water Service Refund	P0103153	1804112	03/11/2019	148.80
00197590	03/28/2019	KENDO-KAI, CASCADE Instructor fees - course #3508	P0103147	3508/3511	03/21/2019	2,502.50
00197591	03/28/2019	KING COUNTY FINANCE QUARTERLY UPDATES GIS ANALYST/	P0102378	30026297	02/01/2019	800,773.16
00197592	03/28/2019	KLINE, DAVID Young Rembrandts refund	P0103141	OH011431	03/21/2019	80.00
00197593	03/28/2019	KUHN, DAVID LEOFF1 Medicare Reimb		APR2019B	03/25/2019	168.00
00197594	03/28/2019	KUMAR, DEEKSHA SURESH refunding credit on account	P0103062	OH011429	03/17/2019	200.00
00197595	03/28/2019	LEAGUE OF EDUCATION VOTERS FA-2746 cancelled	P0103063	FA2746	03/17/2019	534.00
00197596	03/28/2019	LEDBETTER-KRAFT, DELORES E Instructor fees - course #3514	P0103148	3514	03/21/2019	894.60
00197597	03/28/2019	LEOFF HEALTH & WELFARE TRUST APRIL 2019 FIRE RETIREES		OH011437	03/22/2019	63,586.22
00197598	03/28/2019	LEOFF HEALTH & WELFARE TRUST APRIL 2019 POLICE RETIREES		OH011441	03/22/2019	13,740.30
00197599	03/28/2019	LEOPOLD, FREDERIC LEOFF1 Medicare Reimb		APR2019B	03/25/2019	156.60
00197600	03/28/2019	LOISEAU, LERI M LEOFF1 Medicare Reimb		APR2019B	03/25/2019	162.10
00197601	03/28/2019	LTI INC SODIUM CHLORIDE (57.25 TONS)	P0103123	6002201/6002308	02/05/2019	8,246.40
00197602	03/28/2019	LYONS, STEVEN LEOFF1 Medicare Reimb		APR2019B	03/25/2019	134.30
00197603	03/28/2019	MAILFINANCE INC Leasehold for LB postage meter	P0102244	N7620386	03/07/2019	460.88
00197604	03/28/2019	MARTEN LAW Professional Services -	P0103111	44088404	03/15/2019	323.16

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00197605	03/28/2019	MI 84TH LIMITED PARTNERSHIP 1705-081 Refund Water Service	P0103113	1705081/1701251	03/12/2019	148.88
00197606	03/28/2019	MI EMPLOYEES ASSOC PAYROLL EARLY WARRANTS		28MAR2019	03/15/2019	325.00
00197607	03/28/2019	MIHS GYMNASTICS Rental FA-2313 completed. Retu	P0103109	FA2313	03/17/2019	400.00
00197608	03/28/2019	MYERS, JAMES S LEOFF1 Medicare Reimb		APR2019B	03/25/2019	137.40
00197609	03/28/2019	ORTON, ANNA LICENSE RENEWAL FEE		OH011444	03/19/2019	106.00
00197610	03/28/2019	PACIFIC AIR CONTROL INC HVAC MAINT FS91	P0103133	18999	03/12/2019	619.58
00197611	03/28/2019	PACIFIC NW NAGINATA FEDERATION Instructor fees plus drop ins	P0103149	3498	03/21/2019	826.00
00197612	03/28/2019	PAI, VERONICA refunding snow day credit	P0103060	OH011432	03/17/2019	15.00
00197613	03/28/2019	PAULETTO, MAUDE Instructor fees plus drop ins	P0103144	3516/3530/3522	03/21/2019	1,045.80
00197614	03/28/2019	PROVOST, ALAN LEOFF1 Medicare Reimb		OH011443	03/25/2019	1,884.56
00197615	03/28/2019	PUGET SOUND ENERGY Utility assistance for Emergen	P0102248	OH011433	03/18/2019	269.16
00197616	03/28/2019	R A BROWN BACKFLOW TESTING BACKFLOW PARTS	P0103035	19031403/1405	03/14/2019	119.30
00197617	03/28/2019	RAMSAY, JON LEOFF1 Medicare Reimb		APR2019A	03/25/2019	584.61
00197618	03/28/2019	RED WING BUSINESS SAFETY BOOTS	P0102988	20190310021394	03/10/2019	252.44
00197619	03/28/2019	REMOTE SATELLITE SYSTEMS INT'L EMAC Sat Phone Service - Invoi	P0103097	00099640	03/11/2019	54.00
00197620	03/28/2019	REPUBLIC SERVICES #172 pickup service 2/1-2/28/2019	P0103009	0172007779131/01	01/31/2019	67.28
00197621	03/28/2019	RISAN ATHLETICS INC PITCHING RUBBER	P0103136	51222	03/07/2019	41.42
00197622	03/28/2019	ROEHL, JOAN OVERPAYMENT REFUND		OH011447	03/27/2019	32.00
00197623	03/28/2019	RUCKER, MANORD J LEOFF1 Medicare Reimb		APR2019B	03/25/2019	162.10
00197624	03/28/2019	RWC GROUP FL-0388 REPAIR PARTS	P0103130	118047S	03/18/2019	47.15
00197625	03/28/2019	SCHOENTRUP, WILLIAM LEOFF1 Medicare Reimb		APR2019A	03/25/2019	1,307.79
00197626	03/28/2019	SEATTLE, CITY OF Feb 2019 Water Purchases	P0103121	OH011434	03/01/2019	100,101.42
00197627	03/28/2019	SECURITY SAFE & LOCK MP Keys Cut - Invoice # 538186	P0103092	538186/538188	03/11/2019	121.83
00197628	03/28/2019	SEN, APARNA Rental FA-2561 completed. Retu	P0103139	FA2561	03/21/2019	75.00
00197629	03/28/2019	SHERWIN-WILLIAMS CO, THE FIELD PAINT (WHITE, BLUE & RED	P0103094	77647/49401	03/14/2019	353.82
00197630	03/28/2019	SMITH, RICHARD LEOFF1 Medicare Reimb		APR2019B	03/25/2019	223.10

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Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00197631	03/28/2019	STATE AUDITOR'S OFFICE FYE2017 Audit Work	P0103119	L129939	03/08/2019	550.00
00197632	03/28/2019	SUPERION LLC ELF Forms update to AP	P0103156	229256	03/12/2019	200.00
00197633	03/28/2019	SWIFT, KAREN Instructor fees - course #3518	P0103146	3518	03/21/2019	483.00
00197634	03/28/2019	T-MOBILE Monthly services for Boat Laun	P0102466	OH011435	03/09/2019	20.00
00197635	03/28/2019	THOMPSON, JAMES LEOFF1 Medicare Reimb		APR2019B	03/25/2019	123.30
00197636	03/28/2019	THYSSENKRUPP ELEVATOR CORP FS92 ELEVATOR MAINT 3/1-5/31	P0103128	3004471309	03/01/2019	228.93
00197637	03/28/2019	TRAFFIC SAFETY SUPPLY STREET SIGN	P0103044	INV011681	03/12/2019	98.88
00197638	03/28/2019	TWC DEVELOPMENT LLC 1806-211 Refund Water Deposit	P0103155	1806211	03/12/2019	144.77
00197639	03/28/2019	UNITED STATES TREASURY PAYROLL EARLY WARRANTS		28MAR2019	03/15/2019	607.19
00197640	03/28/2019	UNITED WAY OF KING CO PAYROLL EARLY WARRANTS		28MAR2019	03/15/2019	80.00
					Total	<u>1,008,171.78</u>

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00197642	03/28/2019	VERITIV OPERATING COMPANY INVENTORY PURCHASES	P0103054	65522454713	03/08/2019	1,533.95
00197643	03/28/2019	WA WILDLIFE & REC COALITION 2019 WWRC Membership Renewal	P0103138	WWRC19MEM	03/15/2019	400.00
00197644	03/28/2019	WALLACE, THOMAS LEOFF1 Medicare Reimb		APR2019B	03/25/2019	165.90
00197645	03/28/2019	WALTER E NELSON CO INVENTORY PURCHASES	P0103017	694225/693807	03/10/2019	1,589.54
00197646	03/28/2019	WANG NING MARTIAL ARTS ACA LLC Instructor fees plus drop ins	P0103145	3500/3530	03/21/2019	3,338.70
00197647	03/28/2019	WANG, CHING-YUN Refunding 25 punch pass	P0103064	OH011436	03/17/2019	21.96
00197648	03/28/2019	WEGNER, KEN LEOFF1 Medicare Reimb		APR2019B	03/25/2019	146.60
00197649	03/28/2019	WHEELER, DENNIS LEOFF1 Medicare Reimb		APR2019B	03/25/2019	181.70
00197650	03/28/2019	WHISTLE WORKWEAR SAFETY BOOTS & MISC. WORK CLOT	P0103046	SHO3447	02/27/2019	308.83
00197651	03/28/2019	GOV'T LEASING & FINANCE INC INTS 2018 FIRE LEASE PURCHASE		378770853CORR	02/22/2019	96,587.34
00197652	03/28/2019	LEOFF HEALTH & WELFARE TRUST APRIL 2019 POLICE ACTIVE		OH011448	03/25/2019	50,673.88
00197653	03/28/2019	US BANK CORP PAYMENT SYS Travel Expense		5539MARCH2019	03/06/2019	22,511.40
00197654	04/02/2019	PARKWAY CENTER MANAGEMENT GRP April rent payment under Purch	P0103192	OH011449	03/26/2019	7,000.00
00197655	04/02/2019	SOUND PUBLISHING INC Ntc. 2/6 Spec. Council Mtg	P0103204	7902391	02/28/2019	356.22
00197656	04/04/2019	AIRGAS USA LLC Oxygen/Fire	P0103070	9960397491/90860	02/26/2019	219.97
00197657	04/04/2019	ARC DOCUMENT SOLUTIONS copying of 1412-144	P0103177	2063811	01/17/2019	22.63
00197658	04/04/2019	ASPECT SOFTWARE INC Telestaff Monthly Maintenance/	P0103162	ASI048636	03/05/2019	165.00
00197659	04/04/2019	BOOTH, GLENDON D LEOFF1 Retiree Medical Expense	P0103170	OH011450	03/25/2019	160.87
00197660	04/04/2019	CARDNO INC WATERCOURSE STABALISATION PROJ	P0101491	269346	02/15/2019	9,617.25
00197661	04/04/2019	CASCADE FRAMES Framed mag cover & article	P0103203	143896	02/19/2018	269.04
00197662	04/04/2019	CENTURYLINK PHONE USE MARCH 2019		OH011477	03/20/2019	3,446.13
00197663	04/04/2019	CHANNING BETE CO INC FA/CPR/AED DVD	P0103051	53646077	02/28/2019	794.37
00197664	04/04/2019	CHEN, RONG 25 punch pass refund	P0103175	OH011453	03/26/2019	31.72
00197665	04/04/2019	CODE PUBLISHING CO Web update: Ord. 19C-01, 19C-0	P0103205	62906	03/13/2019	943.95
00197666	04/04/2019	COMCAST Internet Charges/Fire	P0103167	OH011452	03/04/2019	72.40
00197667	04/04/2019	COMCAST Internet Charges/Fire	P0103159	OH011451	03/11/2019	11.47

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00197668	04/04/2019	CRYSTAL SPRINGS starbucks coffee for machine	P0103190	13123243031519	03/15/2019	107.49
00197669	04/04/2019	CULLIGAN SEATTLE WA Water Service/Fire	P0103161	201903672721	02/28/2019	218.66
00197670	04/04/2019	DANIEL, KAMARIA MITV Council Mtg 3/5/19	P0103208	025	03/21/2019	1,320.00
00197671	04/04/2019	DAY MANAGEMENT CORP Radio Repairs/Fire	P0103068	480190	03/08/2019	756.15
00197672	04/04/2019	DEVENY, JAN P LEOFF1 Retiree Medical Expense	P0103206	OH011454	03/28/2019	721.71
00197673	04/04/2019	EARTHCORPS INC 2019-2020 Forest Restoration	P0102736	7319	02/28/2019	905.00
00197674	04/04/2019	ESA CAO & SMP Update consulting se	P0103187	144271	02/14/2019	5,205.50
00197675	04/04/2019	GALLS LLC FF badge	P0103071	011993095	02/15/2019	145.20
00197676	04/04/2019	GRAINGER INVENTORY PURCHASES	P0103042	9116120362	03/14/2019	574.65
00197677	04/04/2019	H D FOWLER INVENTORY PURCHASES	P0103195	I5090169	03/21/2019	3,915.34
00197678	04/04/2019	HANSEN, THOMAS & CHERYL OVERPAYMENT REFUND		OH011473	02/20/2019	243.17
00197679	04/04/2019	HERC RENTALS INC CLAY SPADE	P0103196	30633716001	03/18/2019	71.57
00197680	04/04/2019	HOME PROJECT 96 OVERPAYMNET REFUND		OH011469	02/20/2019	282.68
00197681	04/04/2019	HORIZON INVENTORY PURCHASES	P0103193	3M297867	03/15/2019	418.04
00197682	04/04/2019	ISA MEMBERSHIP ISA membership for John	P0103181	OH011455	02/21/2019	185.00
00197683	04/04/2019	JAYMARC CUSTOM HOMES LLC OVERPAYMENT REFUND		OH011468	02/20/2019	282.68
00197684	04/04/2019	JAYMARC MANOR LLC OVERPAYMENT REFUND		OH011466	02/20/2019	289.07
00197685	04/04/2019	JOHNSON, CURTIS FRLEOFF1 Retiree Medical Expen	P0103171	OH011456	03/25/2019	432.16
00197686	04/04/2019	KROESENS UNIFORM COMPANY Duty Uniforms - White, Kennedy	P0103166	54341/54342/5447	03/05/2019	1,540.11
00197687	04/04/2019	LARSEN, PAUL OVERPAYMENT REFUND		OH011472	02/20/2019	389.54
00197688	04/04/2019	LN CURTIS & SONS Rope Rigging Bags	P0103074	INV259072/62460	03/05/2019	477.35
00197689	04/04/2019	MAIR, STEPHEN BLS INSTRUCTOR EXPENSES		OH011463	03/28/2019	77.00
00197690	04/04/2019	MALAM, RACHEL FA-1205 cancelled. Returning r	P0103200	FA1205	03/27/2019	952.00
00197691	04/04/2019	MALIN, NATALIE Rental FA-2465 completed. Retu	P0103176	FA2465	03/26/2019	75.00
00197692	04/04/2019	MARIANO, SULMO LEVY FUND WAIVER REFUND		OH011476	03/27/2019	100.00
00197693	04/04/2019	MASTERMARK Name plate for Lauren	P0103182	2564684	02/15/2019	31.85

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00197694	04/04/2019	MATHESON, BENJAMIN 1707-313 Refund Water Service	P0103154	1707313	03/26/2019	252.40
00197695	04/04/2019	MERCER ISLAND GUILD OF MI directories for City Staff	P0103188	12551	02/28/2019	700.00
00197696	04/04/2019	MERCER ISLAND REPORTER MI Reporter subscription	P0103178	OH011457	02/19/2019	59.00
00197697	04/04/2019	MERRITT, WILLIAM OVERPAYMENT REFUND		OH011475	02/20/2019	503.47
00197698	04/04/2019	METROPRESORT FEBRUARY 2019 PRINTING AND MAI	P0103098	IN605874	02/25/2019	1,962.50
00197699	04/04/2019	MI CHAMBER OF COMMERCE MONTHLY BILLING FOR SERVICES	P0102377	OH011458	03/31/2019	1,200.00
00197700	04/04/2019	MICRO COM SYSTEMS LTD Document scanning	P0103183	17294/17281	02/28/2019	3,893.89
00197701	04/04/2019	MILLIMAN INC Update GASB 67 & 68 required	P0102859	003FPW0319	03/18/2019	6,600.00
00197702	04/04/2019	MUNICIPAL EMERGENCY SERVICES Chest Strap Assembly	P0103165	IN1315753	02/28/2019	161.42
00197703	04/04/2019	MUNRO, ALEC DUTY BOOTS		OH011465	03/29/2019	132.00
00197704	04/04/2019	NORTHWEST NURSERIES INC Bareroot trees	P0102446	IV10849	02/21/2019	1,430.00
00197705	04/04/2019	NOVAK, JOHN CONCRETE FOR PEACE POLES		OH011464	03/27/2019	18.95
00197706	04/04/2019	NW ASSET MANAGEMENT Rental FA-2435 completed. Retu	P0103173	FA2435	03/26/2019	75.00
00197707	04/04/2019	OVERLAKE OIL 2019 FUEL DELIVERY	P0102300	0192398/480/481/	03/05/2019	7,295.71
00197708	04/04/2019	PARKINK Championship t-shirts for	P0103168	26648	03/19/2019	230.10
00197709	04/04/2019	PETTIT, WILLIAM & CAROLYN OVERPAYMENT REFUND		OH011470	02/20/2019	556.86
00197710	04/04/2019	PITNEY BOWES Lease charges for postage mach	P0103179	3308339505	03/07/2019	904.47
00197711	04/04/2019	POT O' GOLD INC Water cooler	P0103186	0197375/0198376/	02/08/2019	1,545.34
00197712	04/04/2019	PUGET SOUND ENERGY ENERGY USE MARCH 2019		OH011479	03/25/2019	27,508.14
00197713	04/04/2019	RESERVE ACCOUNT Postage funds reserve replenis	P0103185	OH011459	03/26/2019	5,000.00
00197714	04/04/2019	RICOH USA INC (FIRE) Copier Rental/Fire	P0103158	101821239	03/05/2019	320.87
00197715	04/04/2019	RKK CONSTRUCTION OVERPAYMENT REFUND		OH011467	02/20/2019	324.75
00197716	04/04/2019	SAITO, HELEN OVERPAYMENT REFUND		OH011474	02/20/2019	299.38
00197717	04/04/2019	SEA WESTERN INC Bunker Boots	P0103157	211351	03/13/2019	433.62
00197718	04/04/2019	SECURITY SAFE & LOCK replacement cabinet locks at S	P0103029	538393	03/15/2019	163.00
00197719	04/04/2019	SITEONE LANDSCAPE SUPPLY LLC MOUND CLAY (40 BAGS) & TURFACE	P0103132	89574097001	03/13/2019	1,724.13

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00197720	04/04/2019	SOUND SAFETY PRODUCTS MISC. WORK CLOTHES	P0103033	1199773	03/13/2019	379.56
00197721	04/04/2019	STERICYCLE INC On-Call Charges/Fire	P0103069	3004595219	02/25/2019	112.85
00197722	04/04/2019	STROTHER, MICHAEL S OVERPAYMENT REFUND		OH011471	02/20/2019	436.15
00197723	04/04/2019	STUSSER ELECTRIC CO 2) CONCRETE LIGHT POLES & FIXT	P0102991	2338510250	03/05/2019	7,920.00
00197724	04/04/2019	TEMPLIN, KATHERYN withdrew from French class	P0103199	OH011460	03/27/2019	119.00
00197725	04/04/2019	TRAFFIC SAFETY SUPPLY DELINEATOR CARSONITE 62" WHITE	P0103053	INV011731	03/13/2019	203.08
00197726	04/04/2019	UNITED SITE SERVICES Lid Park Boat Launch -	P0102825	1148167970/11481	03/11/2019	583.15
00197727	04/04/2019	USPS POSTAGE FOR ALL ISLAND MAILING		OH011478	04/04/2019	1,913.34
00197728	04/04/2019	VERIZON WIRELESS Cell Charges/Fire	P0103160	9825621987	03/06/2019	16.39
00197729	04/04/2019	VERIZON WIRELESS MDC Charges/Fire	P0103073	9824774023	02/23/2019	1,117.53
00197730	04/04/2019	WACE Conference registration for Ji	P0103184	OH011461	03/26/2019	40.00
00197731	04/04/2019	WESTERN FIRE & SAVETY CO INC Extinguishers for Apparatus	P0103163	62579	03/18/2019	1,124.34
00197732	04/04/2019	XEROX CORPORATION Print & Copy charges for DSG c	P0103180	096247252/096247	02/01/2019	3,032.47
00197733	04/04/2019	ZEE MEDICAL Safety Supplies - City Hall	P0103191	68372604	02/06/2019	184.79
00197734	04/04/2019	ZHONG, HONG 25 punch pass refund	P0103174	OH011462	03/26/2019	12.20
					Total	<u>300,777.59</u>



**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: 001000 - General Fund-Admin Key</i>				
P0103140	00197551	BANBURY, EVA	Snow Day Refund	28.00
<i>Org Key: 402000 - Water Fund-Admin Key</i>				
P0103012	00197576	GRAINGER	INVENTORY PURCHASES	641.88
P0103045	00197573	GEMPLER'S INC	INVENTORY PURCHASES	631.09
P0103118	00197556	CHARTER CONSTRUCTION INC	1709-193 Refund Water Service	269.10
P0103114	00197563	DEP HOMES COLUMBIA LLC	1702-022 Refund Water Service	169.12
<i>Org Key: 814074 - Garnishments</i>				
	00197557	CLERK OF COURT	PAYROLL EARLY WARRANTS	616.50
<i>Org Key: 814083 - Vol Life Ins - States West Lif</i>				
	00197550	AWC	APRIL 2019	367.90
<i>Org Key: 814085 - GET Program Deductions</i>				
	00197574	GET Washington	PAYROLL EARLY WARRANTS	250.00
<i>Org Key: FN4502 - Utility Billing (Sewer)</i>				
P0103099	00197570	FERGUSON ENTERPRISES INC	HANDHELD BATTERY	231.00
<i>Org Key: GGM001 - General Government-Misc</i>				
P0103112	00197566	DUNBAR ARMORED	MARCH19 Armored Car Service	650.61
P0102379	00197558	COMCAST	CITY HALL HIGH SPEED INTERNET	111.45
<i>Org Key: GGM005 - Genera Govt-LI Retiree Costs</i>				
	00197552	BARNES, WILLIAM	LEOFF1 Medicare Reimb	211.50
	00197562	DEEDS, EDWARD G	LEOFF1 Medicare Reimb	211.50
	00197575	GOODMAN, J C	LEOFF1 Medicare Reimb	194.20
	00197568	ELSOE, RONALD	LEOFF1 Medicare Reimb	169.50
	00197546	ADAMS, RONALD E	LEOFF1 Medicare Reimb	169.30
	00197548	AUGUSTSON, THOR	LEOFF1 Medicare Reimb	168.00
	00197553	BOOTH, GLENDON D	LEOFF1 Medicare Reimb	168.00
	00197564	DEVENY, JAN P	LEOFF1 Medicare Reimb	168.00
	00197554	CALLAGHAN, MICHAEL	LEOFF1 Medicare Reimb	164.40
	00197565	DOWD, PAUL	LEOFF1 Medicare Reimb	159.40
	00197545	ABBOTT, RICHARD	LEOFF1 Medicare Reimb	151.60
	00197572	FORSMAN, LOWELL	LEOFF1 Medicare Reimb	135.50
<i>Org Key: GGM606 - Excess Retirement-Fire</i>				
	00197552	BARNES, WILLIAM	LEOFF1 Excess Benefit	1,604.31
	00197560	COOPER, ROBERT	LEOFF1 Excess Benefit	1,566.16
<i>Org Key: MT3100 - Water Distribution</i>				
P0103012	00197576	GRAINGER	STEEL CHANNEL SPRING NUTS (25	155.43
P0102986	00197577	H D FOWLER	3/4" HOSE BIBB VACUUM BREAKERS	22.67
<i>Org Key: MT3200 - Water Pumps</i>				
	00197555	CENTURYLINK	PHONE USE MAR 2019	59.69
<i>Org Key: MT3400 - Sewer Collection</i>				
P0103065	00197577	H D FOWLER	BASALITE FAST PATCH	855.36
<i>Org Key: MT4150 - Support Services - Clearing</i>				

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0103143	00197561	COSTCO	2019 Annual Membership renewal	60.00
<i>Org Key: MT4300 - Fleet Services</i>				
P0103049	00197549	AUTO SPA	100 CAR WASH COUPONS	1,090.00
<i>Org Key: PO2200 - Marine Patrol</i>				
P0103122	00197571	FLAGSHIP MARITIME	Marine Patrol training course	1,365.00
<i>Org Key: PR1100 - Administration (PR)</i>				
P0103143	00197561	COSTCO	2019 Annual Membership renewal	60.00
<i>Org Key: PR4100 - Community Center</i>				
P0103112	00197566	DUNBAR ARMORED	MARCH19 Armored Car Service	642.77
P0102461	00197559	COMCAST	MICEC - High Speed Connection	165.78
<i>Org Key: PR6200 - Athletic Field Maintenance</i>				
P0103021	00197577	H D FOWLER	IRRIGATION FITTINGS	89.43
<i>Org Key: WG550R - Fuel Clean Up</i>				
P0099477	00197569	FARALLON CONSULTING LLC	PHASE 3 TECHNICAL SERVICES FOR	7,759.95
<i>Org Key: WS710R - General Sewer Sys Improvements</i>				
P0103201	00197547	ALTUS TRAFFIC MANAGEMENT LLC	CAST IN PLACE	7,262.06
<i>Org Key: YF1100 - YFS General Services</i>				
P0103120	00197567	EASTSIDE HUMAN SERVICES FORUM	Annual membership dues	1,000.00
P0103112	00197566	DUNBAR ARMORED	MARCH19 Armored Car Service	297.59
P0103143	00197561	COSTCO	2019 Annual Membership renewal	60.00
<i>Org Key: YF1200 - Thrift Shop</i>				
P0103112	00197566	DUNBAR ARMORED	MARCH19 Armored Car Service	647.57
Total				30,801.32

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: 001000 - General Fund-Admin Key</i>				
P0103063	00197595	LEAGUE OF EDUCATION VOTERS	FA-2746 cancelled	534.00
P0103109	00197607	MIHS GYMNASTICS	Rental FA-2313 completed. Retu	400.00
P0103062	00197594	KUMAR, DEEKSHA SURESH	refunding credit on account	200.00
P0103110	00197588	KAISER PERMANENTE OF WA	FA-2745 completed. Returning	122.00
P0103139	00197628	SEN, APARNA	Rental FA-2561 completed. Retu	75.00
P0103141	00197592	KLINE, DAVID	CPR class cancelled	55.00
P0103061	00197592	KLINE, DAVID	Young Rembrandts refund	25.00
P0103060	00197612	PAI, VERONICA	refunding snow day credit	15.00
<i>Org Key: 402000 - Water Fund-Admin Key</i>				
P0103116	00197580	HALL, MARK A	1701-218 Refund Water Service	341.37
P0103117	00197585	JAYMARC CUSTOM HOMES LLC	1807-255 Refund Water Service	338.17
P0103115	00197586	JOHN DAY HOMES	1704-224 Refund Water Service	179.10
P0103153	00197589	KAPSNER, JEFF	1804-112 Water Service Refund	148.80
P0103155	00197638	TWC DEVELOPMENT LLC	1806-211 Refund Water Deposit	144.77
P0103113	00197605	MI 84TH LIMITED PARTNERSHIP	1701-251 Refund Water Service	98.95
P0103113	00197605	MI 84TH LIMITED PARTNERSHIP	1705-081 Refund Water Service	49.93
<i>Org Key: 814072 - United Way</i>				
	00197640	UNITED WAY OF KING CO	PAYROLL EARLY WARRANTS	80.00
<i>Org Key: 814074 - Garnishments</i>				
	00197639	UNITED STATES TREASURY	PAYROLL EARLY WARRANTS	607.19
<i>Org Key: 814075 - Mercer Island Emp Association</i>				
	00197606	MI EMPLOYEES ASSOC	PAYROLL EARLY WARRANTS	325.00
<i>Org Key: DS1100 - Administration (DS)</i>				
P0103124	00197591	KING COUNTY FINANCE	QUARTERLY UPDATES GIS ANALYST/	608.00
<i>Org Key: FN1100 - Administration (FN)</i>				
P0103119	00197631	STATE AUDITOR'S OFFICE	FYE2017 Audit Work	550.00
<i>Org Key: FN2100 - Data Processing</i>				
P0103156	00197632	SUPERION LLC	ELF Forms update to AP	200.00
<i>Org Key: GGM004 - Gen Govt-Office Support</i>				
P0102244	00197603	MAILFINANCE INC	Leasehold for LB postage meter	460.88
<i>Org Key: GGM005 - Genera Govt-L1 Retiree Costs</i>				
	00197598	LEOFF HEALTH & WELFARE TRUST	APRIL 2019 POLICE RETIREES	6,289.08
	00197597	LEOFF HEALTH & WELFARE TRUST	APRIL 2019 FIRE RETIREES	3,294.28
	00197581	HILTNER, PETER	LEOFF1 Medicare Reimb	556.00
	00197625	SCHOENTRUP, WILLIAM	LEOFF1 Medicare Reimb	483.60
	00197614	PROVOST, ALAN	QTRLY 3/1-5/31/2019 RET MEDI R	406.50
	00197630	SMITH, RICHARD	LEOFF1 Medicare Reimb	223.10
	00197579	HAGSTROM, JAMES	LEOFF1 Medicare Reimb	216.50
	00197593	KUHN, DAVID	LEOFF1 Medicare Reimb	168.00
	00197587	JOHNSON, CURTIS	LEOFF1 Medicare Reimb	163.70
	00197600	LOISEAU, LERI M	LEOFF1 Medicare Reimb	162.10
	00197623	RUCKER, MANORD J	LEOFF1 Medicare Reimb	162.10
	00197599	LEOPOLD, FREDERIC	LEOFF1 Medicare Reimb	156.60

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00197608	MYERS, JAMES S	LEOFF1 Medicare Reimb	137.40
	00197617	RAMSAY, JON	LEOFF1 Medicare Reimb	136.20
	00197602	LYONS, STEVEN	LEOFF1 Medicare Reimb	134.30
	00197635	THOMPSON, JAMES	LEOFF1 Medicare Reimb	123.30
	00197614	PROVOST, ALAN	LEOFF1 Medicare Reimb	28.70
<b>Org Key: GGM606 - Excess Retirement-Fire</b>				
	00197614	PROVOST, ALAN	LEOFF1 Excess Benefit	1,449.36
	00197587	JOHNSON, CURTIS	LEOFF1 Excess Benefit	837.28
	00197625	SCHOENTRUP, WILLIAM	LEOFF1 Excess Benefit	824.19
	00197617	RAMSAY, JON	LEOFF1 Excess Benefit	448.41
<b>Org Key: GX9996 - Employee Benefits-Police</b>				
	00197598	LEOFF HEALTH & WELFARE TRUST	APRIL 2019 POLICE SUPPORT	7,451.19
<b>Org Key: GX9997 - Employee Benefits-Fire</b>				
	00197597	LEOFF HEALTH & WELFARE TRUST	APRIL 2019 FIRE ACTIVE	60,291.94
	00197598	LEOFF HEALTH & WELFARE TRUST	APRIL 2019 BILLING ADJUSTMENTS	0.03
<b>Org Key: MT2100 - Roadway Maintenance</b>				
P0103123	00197601	LTI INC	SODIUM CHLORIDE (57.25 TONS)	8,246.40
P0103044	00197637	TRAFFIC SAFETY SUPPLY	STREET SIGN	60.38
P0103044	00197637	TRAFFIC SAFETY SUPPLY	STREET SIGN	38.50
<b>Org Key: MT3150 - Water Quality Event</b>				
P0103152	00197582	HOME DEPOT CREDIT SERVICE	WATER FITTINGS & PIPE	201.25
<b>Org Key: MT3600 - Sewer Associated Costs</b>				
P0102988	00197618	RED WING BUSINESS	SAFETY BOOTS	252.44
<b>Org Key: MT4200 - Building Services</b>				
P0103133	00197610	PACIFIC AIR CONTROL INC	HVAC MAINT FS91	619.58
P0103126	00197583	INTERIOR FOLIAGE CO, THE	CITY HALL INTERIOR LANDSCAPING	282.70
P0103127	00197583	INTERIOR FOLIAGE CO, THE	CITY HALL INTERIOR LANDSCAPING	282.70
P0103128	00197636	THYSSENKRUPP ELEVATOR CORP	FS92 ELEVATOR MAINT 3/1-5/31	228.93
P0103125	00197583	INTERIOR FOLIAGE CO, THE	CITY HALL INTERIOR LANDSCAPING	194.70
<b>Org Key: MT4300 - Fleet Services</b>				
P0103131	00197584	INTERSTATE BATTERY SYSTEMS	FL-0446 REPAIR PARTS	361.79
P0103130	00197624	RWC GROUP	FL-0388 REPAIR PARTS	47.15
<b>Org Key: MT4501 - Water Administration</b>				
P0103121	00197626	SEATTLE, CITY OF	Feb 2019 Water Purchases	100,101.42
<b>Org Key: MT4502 - Sewer Administration</b>				
P0102378	00197591	KING COUNTY FINANCE	MONTHLY SEWER JAN-DEC 2019	400,082.58
P0102378	00197591	KING COUNTY FINANCE	MONTHLY SEWER JAN-DEC 2019	400,082.58
<b>Org Key: PO0000 - Police-Revenue</b>				
	00197622	ROEHL, JOAN	OVERPAYMENT REFUND	32.00
<b>Org Key: PO1350 - Police Emergency Management</b>				
P0103097	00197619	REMOTE SATELLITE SYSTEMS INT'L	EMAC Sat Phone Service - Invoi	54.00
<b>Org Key: PO2200 - Marine Patrol</b>				

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0103092	00197627	SECURITY SAFE & LOCK	MP Keys Cut - Invoice # 538186	121.83
<i>Org Key: PR2108 - Health and Fitness</i>				
P0103147	00197590	KENDO-KAI, CASCADE	Instructor fees - course #3508	1,309.00
P0103147	00197590	KENDO-KAI, CASCADE	Instructor fee -course #3511	1,193.50
P0103148	00197596	LEDBETTER-KRAFT, DELORES E	Instructor fees - course #3514	894.60
P0103149	00197611	PACIFIC NW NAGINATA FEDERATION	Instructor fees plus drop ins	826.00
P0103144	00197613	PAULETTO, MAUDE	Instructor fees - course #3522	495.60
P0103146	00197633	SWIFT, KAREN	Instructor fees - course #3518	483.00
P0103144	00197613	PAULETTO, MAUDE	Instructor fees plus drop ins	368.20
P0103144	00197613	PAULETTO, MAUDE	Instructor fees - course #3530	182.00
<i>Org Key: PR4100 - Community Center</i>				
P0103009	00197620	REPUBLIC SERVICES #172	pickup service 2/1-2/28/2019	67.28
<i>Org Key: PR6100 - Park Maintenance</i>				
P0103035	00197616	R A BROWN BACKFLOW TESTING	BACKFLOW TESTING	105.00
P0103035	00197616	R A BROWN BACKFLOW TESTING	BACKFLOW PARTS	14.30
<i>Org Key: PR6200 - Athletic Field Maintenance</i>				
P0103094	00197629	SHERWIN-WILLIAMS CO, THE	FIELD PAINT (WHITE, BLUE & RED	176.90
P0103136	00197621	RISAN ATHLETICS INC	PITCHING RUBBER	41.42
<i>Org Key: PR6500 - Luther Burbank Park Maint.</i>				
P0103040	00197582	HOME DEPOT CREDIT SERVICE	BEDDING PLANTS	126.79
<i>Org Key: PR6600 - Park Maint-School Related</i>				
P0103094	00197629	SHERWIN-WILLIAMS CO, THE	FIELD PAINT (WHITE, BLUE & RED	176.92
<i>Org Key: PR6900 - Aubrey Davis Park Maintenance</i>				
P0102466	00197634	T-MOBILE	Monthly services for Boat Laun	20.00
<i>Org Key: ST0020 - ST Long Term Parking</i>				
P0103111	00197604	MARTEN LAW	Professional Services -	323.16
<i>Org Key: YF2600 - Family Assistance</i>				
P0102248	00197615	PUGET SOUND ENERGY	Utility assistance for Emergen	269.16
	00197609	ORTON, ANNA	LICENSE RENEWAL FEE	106.00
Total				1,008,171.78

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: 001000 - General Fund-Admin Key</i>				
P0103200	00197690	MALAM, RACHEL	FA-1205 cancelled. Returning r	952.00
P0103199	00197724	TEMPLIN, KATHERYN	withdrew from French class	119.00
P0103176	00197691	MALIN, NATALIE	Rental FA-2465 completed. Retu	75.00
P0103173	00197706	NW ASSET MANAGEMENT	Rental FA-2435 completed. Retu	75.00
P0103175	00197664	CHEN, RONG	25 punch pass refund	31.72
P0103064	00197647	WANG, CHING-YUN	Refunding 25 punch pass	21.96
P0103174	00197734	ZHONG, HONG	25 punch pass refund	12.20
<i>Org Key: 402000 - Water Fund-Admin Key</i>				
P0103075	00197677	H D FOWLER	INVENTORY PURCHASES	3,798.02
P0103017	00197645	WALTER E NELSON CO	INVENTORY PURCHASES	1,589.54
P0103054	00197642	VERITIV OPERATING COMPANY	INVENTORY PURCHASES	1,533.95
	00197709	PETTIT, WILLIAM & CAROLYN	OVERPAYMENT REFUND	556.86
	00197697	MERRITT, WILLIAM	OVERPAYMENT REFUND	503.47
	00197722	STROTHER, MICHAEL S	OVERPAYMENT REFUND	436.15
	00197687	LARSEN, PAUL	OVERPAYMENT REFUND	389.54
P0103072	00197676	GRAINGER	INVENTORY PURCHASES	406.22
	00197715	RKK CONSTRUCTION	OVERPAYMENT REFUND	324.75
	00197716	SAITO, HELEN	OVERPAYMENT REFUND	299.38
	00197684	JAYMARC MANOR LLC	OVERPAYMENT REFUND	289.07
	00197680	HOME PROJECT 96	OVERPAYMNET REFUND	282.68
	00197683	JAYMARC CUSTOM HOMES LLC	OVERPAYMENT REFUND	282.68
P0103193	00197681	HORIZON	INVENTORY PURCHASES	418.04
P0103154	00197694	MATHESON, BENJAMIN	1707-313 Refund Water Service	252.40
	00197678	HANSEN, THOMAS & CHERYL	OVERPAYMENT REFUND	243.17
<i>Org Key: CA1100 - Administration (CA)</i>				
	00197653	US BANK CORP PAYMENT SYS	Travel Expense	9.86
	00197653	US BANK CORP PAYMENT SYS	Travel Expense	7.77
<i>Org Key: CM1100 - Administration (CM)</i>				
P0103203	00197661	CASCADE FRAMES	Framed mag cover & article	269.04
	00197653	US BANK CORP PAYMENT SYS	IGS Team Planning Meeting	191.06
	00197653	US BANK CORP PAYMENT SYS	PW & PD snow storm response	88.76
	00197653	US BANK CORP PAYMENT SYS	Office supplies	61.49
	00197653	US BANK CORP PAYMENT SYS	Meeting with Donna Colosky	35.00
	00197653	US BANK CORP PAYMENT SYS	AWC City Action Days (Underwo	-400.00
<i>Org Key: CM1200 - City Clerk</i>				
P0103205	00197665	CODE PUBLISHING CO	Web update: Ord. 19C-01, 19C-0	943.95
	00197653	US BANK CORP PAYMENT SYS	WAPRO Spring Training for D. E	175.00
P0103204	00197655	SOUND PUBLISHING INC	Ntc. 2/13 Council Spec Mtg on	67.67
P0103204	00197655	SOUND PUBLISHING INC	Ntc. 2/6 Spec. Council Mtg	46.93
<i>Org Key: CO6100 - City Council</i>				
P0103208	00197670	DANIEL, KAMARIA	MITV MI Council Mtg 3/19/19	480.00
P0103208	00197670	DANIEL, KAMARIA	MITV MISD Mtg 3/14/19	330.00
P0103208	00197670	DANIEL, KAMARIA	MITV MISD Mtg 3/21/19	270.00
P0103208	00197670	DANIEL, KAMARIA	MITV Council Mtg 3/5/19	240.00
	00197653	US BANK CORP PAYMENT SYS	4/3 SCA Networking Dinner Regi	45.00
	00197653	US BANK CORP PAYMENT SYS	2/26, 3/5, 3/19 Council Meetin	16.46

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00197653	US BANK CORP PAYMENT SYS	AWC City Action Days (Bertlin)	-200.00
	00197653	US BANK CORP PAYMENT SYS	AWC City Action Days (Bassett,	-400.00
<i>Org Key: CR1100 - Human Resources</i>				
P0103191	00197733	ZEE MEDICAL	Safety Supplies - City Hall	184.79
	00197653	US BANK CORP PAYMENT SYS	Job Posting Fees	90.00
	00197653	US BANK CORP PAYMENT SYS	Oral Board supplies	85.03
	00197653	US BANK CORP PAYMENT SYS	Oral Board supplies	85.03
	00197653	US BANK CORP PAYMENT SYS	Oral Board supplies	84.48
	00197653	US BANK CORP PAYMENT SYS	Oral Board supplies	58.83
	00197653	US BANK CORP PAYMENT SYS	Job Posting Fees	45.00
	00197653	US BANK CORP PAYMENT SYS	Job Posting Fee	45.00
	00197653	US BANK CORP PAYMENT SYS	Job Posting Fee	45.00
	00197653	US BANK CORP PAYMENT SYS	Office Supplies	16.34
<i>Org Key: DS1100 - Administration (DS)</i>				
P0103183	00197700	MICRO COM SYSTEMS LTD	Document scanning	3,349.71
P0103183	00197700	MICRO COM SYSTEMS LTD	Document scanning	544.18
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	250.00
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	200.00
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	160.12
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	123.93
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	108.69
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	100.00
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	76.33
P0103178	00197696	MERCER ISLAND REPORTER	MI Reporter subscription	59.00
	00197653	US BANK CORP PAYMENT SYS	MBP.com Merchant Fee	54.10
P0103184	00197730	WACE	Conference registration for Ji	40.00
	00197653	US BANK CORP PAYMENT SYS	Services - Technology Fee	39.58
<i>Org Key: DS1200 - Bldg Plan Review &amp; Inspection</i>				
P0103177	00197657	ARC DOCUMENT SOLUTIONS	copying of 1412-144	22.63
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	5.43
<i>Org Key: DS1300 - Land Use Planning Svc</i>				
P0103187	00197674	ESA	CAO & SMP Update consulting se	5,205.50
P0103204	00197655	SOUND PUBLISHING INC	Ntc. 2/6 CAO Public Hearing 23	166.18
P0103204	00197655	SOUND PUBLISHING INC	Ntc. 2/20 Planning Com. Zoning	75.44
P0103182	00197693	MASTERMARK	Name plate for Lauren	31.85
<i>Org Key: DS1400 - Development Engineering</i>				
P0103181	00197682	ISA MEMBERSHIP	ISA membership for John	185.00
<i>Org Key: DS4550 - Utility Inspection (Clearing)</i>				
P0103046	00197650	WHISTLE WORKWEAR	SAFETY BOOTS & MISC. WORK CLOT	283.83
P0103046	00197650	WHISTLE WORKWEAR	SAFETY BOOTS & MISC. WORK CLOT	25.00
<i>Org Key: FN1100 - Administration (FN)</i>				
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	295.00
<i>Org Key: FN2100 - Data Processing</i>				
P0102377	00197699	MI CHAMBER OF COMMERCE	MONTHLY BILLING FOR SERVICES	1,200.00

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: FN4501 - Utility Billing (Water)</i>				
P0103098	00197698	METROPRESORT	FEBRUARY 2019 PRINTING AND MAI	353.16
P0103098	00197698	METROPRESORT	FEBRUARY 2019 PRINTING AND MAI	301.00
<i>Org Key: FN4502 - Utility Billing (Sewer)</i>				
P0103098	00197698	METROPRESORT	FEBRUARY 2019 PRINTING AND MAI	353.16
P0103098	00197698	METROPRESORT	FEBRUARY 2019 PRINTING AND MAI	301.01
<i>Org Key: FN4503 - Utility Billing (Storm)</i>				
P0103098	00197698	METROPRESORT	FEBRUARY 2019 PRINTING AND MAI	353.16
P0103098	00197698	METROPRESORT	FEBRUARY 2019 PRINTING AND MAI	301.01
<i>Org Key: FR0000 - Fire-Revenue</i>				
	00197692	MARIANO, SULMO	LEVY FUND WAIVER REFUND	100.00
<i>Org Key: FR1100 - Administration (FR)</i>				
	00197662	CENTURYLINK	PHONE USE MARCH 2019	419.63
P0103158	00197714	RICOH USA INC (FIRE)	Copier Rental/Fire	320.87
P0103161	00197669	CULLIGAN SEATTLE WA	Water Service/Fire	218.66
	00197653	US BANK CORP PAYMENT SYS	KC Fire Chiefs Annual Banquet	186.00
P0103162	00197658	ASPECT SOFTWARE INC	Telestaff Monthly Maintenance/	165.00
P0103167	00197666	COMCAST	Internet Charges/Fire	72.40
	00197705	NOVAK, JOHN	CONCRETE FOR PEACE POLES	18.95
	00197653	US BANK CORP PAYMENT SYS	FD Membership 2019 (Monthly)	14.29
P0103159	00197667	COMCAST	Internet Charges/Fire	11.47
	00197653	US BANK CORP PAYMENT SYS	Uniform Cleaning	7.59
<i>Org Key: FR1200 - Fire Marshal</i>				
	00197653	US BANK CORP PAYMENT SYS	NFPA 1582 Book	68.90
<i>Org Key: FR2100 - Fire Operations</i>				
P0103166	00197686	KROESENS UNIFORM COMPANY	Duty Uniforms - White, Kennedy	1,540.11
P0103073	00197729	VERIZON WIRELESS	MDC Charges/Fire	1,117.53
	00197653	US BANK CORP PAYMENT SYS	Tire Chains for Apparatus	1,000.92
P0103068	00197671	DAY MANAGEMENT CORP	Radio Repairs/Fire	756.15
	00197653	US BANK CORP PAYMENT SYS	Tire Chains for Apparatus	661.32
	00197653	US BANK CORP PAYMENT SYS	Tire Chains for Apparatus	661.32
	00197653	US BANK CORP PAYMENT SYS	Tire Chains for Apparatus	553.56
	00197653	US BANK CORP PAYMENT SYS	Tire Chains for Apparatus	553.56
P0103157	00197717	SEA WESTERN INC	Bunker Boots	433.62
	00197653	US BANK CORP PAYMENT SYS	Tire Chains for Apparatus	403.44
	00197653	US BANK CORP PAYMENT SYS	Tire Chains for Apparatus	402.60
	00197653	US BANK CORP PAYMENT SYS	Employee Retirement Award	400.00
P0103165	00197702	MUNICIPAL EMERGENCY SERVICES	Chest Strap Assembly	161.42
P0103071	00197675	GALLS LLC	FF badge	145.20
	00197703	MUNRO, ALEC	DUTY BOOTS	132.00
	00197653	US BANK CORP PAYMENT SYS	Straps for SCBA Equipment	49.89
P0103160	00197728	VERIZON WIRELESS	Cell Charges/Fire	16.39
<i>Org Key: FR2400 - Fire Suppression</i>				
P0103163	00197731	WESTERN FIRE & SAVETY CO INC	Extinguishers for Apparatus	1,124.34
P0103074	00197688	LN CURTIS & SONS	Rope Rigging Bags	477.35



**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: FR2500 - Fire Emergency Medical Svcs</i>				
P0103070	00197656	AIRGAS USA LLC	Oxygen/Fire	219.97
P0103069	00197721	STERICYCLE INC	On-Call Charges/Fire	112.85
	00197653	US BANK CORP PAYMENT SYS	Shipping - Life Assist	23.72
	00197653	US BANK CORP PAYMENT SYS	Shipping - Life Assist	23.72
	00197653	US BANK CORP PAYMENT SYS	Shipping - Life Assist	23.72
	00197653	US BANK CORP PAYMENT SYS	Shipping - Life Assist	23.72
	00197653	US BANK CORP PAYMENT SYS	Shipping - Life Assist	23.72
	00197653	US BANK CORP PAYMENT SYS	Shipping - Life Assist	6.90
<i>Org Key: FR4100 - Training</i>				
	00197653	US BANK CORP PAYMENT SYS	Study Book for Training	106.43
	00197653	US BANK CORP PAYMENT SYS	Study Book for Training	33.00
<i>Org Key: FR5100 - Community Risk Reduction</i>				
P0103051	00197663	CHANNING BETE CO INC	Manikin Wipes	235.40
P0103051	00197663	CHANNING BETE CO INC	Lifepak AED Pads w/Cables	182.60
P0103051	00197663	CHANNING BETE CO INC	FA/CPR/AED DVD	181.50
P0103051	00197663	CHANNING BETE CO INC	CPR Practice Mat	122.98
	00197689	MAIR, STEPHEN	BLS INSTRUCTOR EXPENSES	77.00
P0103051	00197663	CHANNING BETE CO INC	Shipping Charge	71.89
<i>Org Key: GDI503 - Interest-Equip Rental</i>				
	00197651	GOV'T LEASING & FINANCE INC	INTS 2018 FIRE LEASE PURCHASE	26,086.90
<i>Org Key: GDP503 - Principal - Equip Rental</i>				
	00197651	GOV'T LEASING & FINANCE INC	PRIN 2018 FIRE LEASE PURCHASE	70,500.44
<i>Org Key: GGM001 - General Government-Misc</i>				
P0102859	00197701	MILLIMAN INC	Update GASB 67 & 68 required	3,300.00
P0102859	00197701	MILLIMAN INC	Update OPEB required schedules	3,300.00
P0103186	00197711	POT O' GOLD INC	Coffee supplies	698.18
P0103186	00197711	POT O' GOLD INC	Coffee supplies	696.35
	00197653	US BANK CORP PAYMENT SYS	Medical supplies re-stock for	127.29
P0103186	00197711	POT O' GOLD INC	Water filter	68.31
	00197653	US BANK CORP PAYMENT SYS	Medical supplies re-stock for	51.70
P0103186	00197711	POT O' GOLD INC	Water cooler	27.50
P0103186	00197711	POT O' GOLD INC	Water cooler	27.50
P0103186	00197711	POT O' GOLD INC	Water cooler	27.50
	00197653	US BANK CORP PAYMENT SYS	Medical supplies re-stock for	7.02
<i>Org Key: GGM004 - Gen Govt-Office Support</i>				
P0103185	00197713	RESERVE ACCOUNT	Postage funds reserve replenis	5,000.00
P0103180	00197732	XEROX CORPORATION	Print & copy charges for CM co	1,005.91
P0103179	00197710	PITNEY BOWES	Lease charges for postage mach	904.47
P0103188	00197695	MERCER ISLAND GUILD OF	MI directories for City Staff	700.00
P0103180	00197732	XEROX CORPORATION	Print & copy charges for CM co	644.26
P0103180	00197732	XEROX CORPORATION	Print & copy charges for Mail	536.07
P0103180	00197732	XEROX CORPORATION	Print & copy charges for Mail	503.76
P0103180	00197732	XEROX CORPORATION	Print & copy charges for DSG c	173.81
P0103180	00197732	XEROX CORPORATION	Print & Copy charges for DSG c	168.66

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: GGM005 - Genera Govt-LI Retiree Costs</i>				
P0103206	00197672	DEVENY, JAN P	LEOFF1 Retiree Medical Expense	721.71
P0103171	00197685	JOHNSON, CURTIS	FRLEOFF1 Retiree Medical Expen	432.16
	00197649	WHEELER, DENNIS	LEOFF1 Medicare Reimb	181.70
	00197644	WALLACE, THOMAS	LEOFF1 Medicare Reimb	165.90
P0103170	00197659	BOOTH, GLENDON D	LEOFF1 Retiree Medical Expense	160.87
	00197648	WEGNER, KEN	LEOFF1 Medicare Reimb	146.60
<i>Org Key: GX9996 - Employee Benefits-Police</i>				
	00197652	LEOFF HEALTH & WELFARE TRUST	APRIL 2019 POLICE ACTIVE	50,673.88
<i>Org Key: IS2100 - IGS Network Administration</i>				
	00197662	CENTURYLINK	PHONE USE MARCH 2019	2,072.59
	00197653	US BANK CORP PAYMENT SYS	Tuition & Registrations	425.00
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	199.96
	00197653	US BANK CORP PAYMENT SYS	Computer Supplies	130.90
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	128.43
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	75.00
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	56.00
	00197653	US BANK CORP PAYMENT SYS	Internet Access Fees	39.99
	00197653	US BANK CORP PAYMENT SYS	Computer Supplies	17.28
	00197653	US BANK CORP PAYMENT SYS	Computer Supplies	14.58
	00197653	US BANK CORP PAYMENT SYS	Computer Supplies	14.39
	00197653	US BANK CORP PAYMENT SYS	Internet Access Fees	14.00
	00197653	US BANK CORP PAYMENT SYS	Computer Supplies	13.75
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	13.59
<i>Org Key: MT2100 - Roadway Maintenance</i>				
P0102991	00197723	STUSSER ELECTRIC CO	2) CONCRETE LIGHT POLES & FIXT	7,920.00
	00197712	PUGET SOUND ENERGY	ENERGY USE MARCH 2019	2,250.09
	00197653	US BANK CORP PAYMENT SYS	2019 Snow Response PPE	148.41
	00197653	US BANK CORP PAYMENT SYS	2019 Snow Response Provisions	125.54
	00197653	US BANK CORP PAYMENT SYS	2019 Snow Response Provisions	89.30
	00197653	US BANK CORP PAYMENT SYS	2019 Snow Response Provisions	31.35
<i>Org Key: MT2300 - Planter Bed Maintenance</i>				
	00197712	PUGET SOUND ENERGY	ENERGY USE MARCH 2019	14.08
<i>Org Key: MT3100 - Water Distribution</i>				
	00197653	US BANK CORP PAYMENT SYS	Jake Lesarge training sewer ce	165.00
P0103196	00197679	HERC RENTALS INC	CLAY SPADE	71.57
	00197653	US BANK CORP PAYMENT SYS	Mark Jones CCS Exam	51.00
	00197653	US BANK CORP PAYMENT SYS	PW locker room parts	20.78
	00197653	US BANK CORP PAYMENT SYS	Mark Jones CCS Exam	1.02
<i>Org Key: MT3120 - Hydrant Maintenance</i>				
P0103195	00197677	H D FOWLER	HYDRANT GUARD POST 8" X 6'	117.32
<i>Org Key: MT3200 - Water Pumps</i>				
	00197712	PUGET SOUND ENERGY	ENERGY USE MARCH 2019	3,172.93
<i>Org Key: MT3400 - Sewer Collection</i>				
	00197653	US BANK CORP PAYMENT SYS	Utility computer stand	1,089.00

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0103053	00197725	TRAFFIC SAFETY SUPPLY	DELINEATOR CARSONITE 62" WHITE	203.08
<i>Org Key: MT3500 - Sewer Pumps</i>				
	00197712	PUGET SOUND ENERGY	ENERGY USE MARCH 2019	3,236.62
	00197662	CENTURYLINK	PHONE USE MARCH 2019	505.01
<i>Org Key: MT3600 - Sewer Associated Costs</i>				
P0103033	00197720	SOUND SAFETY PRODUCTS	SAFETY BOOTS & MISC. WORK CLOT	335.65
	00197653	US BANK CORP PAYMENT SYS	Mark Jones - Cross Connection	100.00
P0103032	00197720	SOUND SAFETY PRODUCTS	MISC. WORK CLOTHES	43.91
<i>Org Key: MT4150 - Support Services - Clearing</i>				
	00197653	US BANK CORP PAYMENT SYS	Admin Certification	375.00
	00197653	US BANK CORP PAYMENT SYS	Annual dues	150.00
	00197653	US BANK CORP PAYMENT SYS	2019 Snow Response Equipment	82.75
	00197653	US BANK CORP PAYMENT SYS	Public Works Week	64.77
	00197653	US BANK CORP PAYMENT SYS	Seasonal Bag cleaning	49.28
	00197653	US BANK CORP PAYMENT SYS	2019 Snow Response Provisions	43.96
	00197653	US BANK CORP PAYMENT SYS	Admin Planning Mtg.	31.26
	00197653	US BANK CORP PAYMENT SYS	Phone Holster	13.75
	00197653	US BANK CORP PAYMENT SYS	Certified Mailing - Personnel	10.85
	00197653	US BANK CORP PAYMENT SYS	Personnel Certified Mailing	7.90
<i>Org Key: MT4200 - Building Services</i>				
	00197712	PUGET SOUND ENERGY	ENERGY USE MARCH 2019	8,337.80
	00197712	PUGET SOUND ENERGY	ENERGY USE MARCH 2019	3,260.35
	00197653	US BANK CORP PAYMENT SYS	Tuition & Registrations	250.00
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	20.29
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	11.02
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	11.02
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	11.02
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	8.81
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	8.81
<i>Org Key: MT4300 - Fleet Services</i>				
P0102300	00197707	OVERLAKE OIL	2019 FUEL DELIVERY	7,295.71
	00197653	US BANK CORP PAYMENT SYS	Fleet parts	13.27
<i>Org Key: MT4450 - Cust Resp - Clearing Acct</i>				
	00197653	US BANK CORP PAYMENT SYS	Office furniture stand up desk	434.50
	00197653	US BANK CORP PAYMENT SYS	Computer Supplies	54.98
<i>Org Key: MT4501 - Water Administration</i>				
	00197662	CENTURYLINK	PHONE USE MARCH 2019	54.92
<i>Org Key: MT4900 - Solid Waste</i>				
	00197653	US BANK CORP PAYMENT SYS	Solid Waste Presentation	30.00
<i>Org Key: PO1100 - Administration (PO)</i>				
	00197653	US BANK CORP PAYMENT SYS	Patrol Phone case	28.58
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	17.74
<i>Org Key: PO1350 - Police Emergency Management</i>				
	00197653	US BANK CORP PAYMENT SYS	2019 Snow Response Provisions	418.64

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: PO1700 - Records and Property</i>				
	00197653	US BANK CORP PAYMENT SYS	Travel- Solomon to attend New	429.61
	00197653	US BANK CORP PAYMENT SYS	Uniform shirts for new records	197.62
<i>Org Key: PO2100 - Patrol Division</i>				
	00197653	US BANK CORP PAYMENT SYS	Child Passenger Safety Recerti	55.00
	00197653	US BANK CORP PAYMENT SYS	New radio earpieces	17.58
<i>Org Key: PO2450 - Special Operations Team</i>				
	00197653	US BANK CORP PAYMENT SYS	NTOA registration dues (5 year	200.00
	00197653	US BANK CORP PAYMENT SYS	NTOA registration dues (5 year	35.00
<i>Org Key: PO3350 - School Resource Officer</i>				
	00197653	US BANK CORP PAYMENT SYS	training supplies for ALICE pr	25.50
<i>Org Key: PO4100 - Firearms Training</i>				
	00197653	US BANK CORP PAYMENT SYS	Inert training rounds	319.73
	00197653	US BANK CORP PAYMENT SYS	Batteries for PD weapon optics	36.66
<i>Org Key: PO4300 - Police Training</i>				
	00197653	US BANK CORP PAYMENT SYS	Solomon Tyler Conference	950.00
<i>Org Key: PR1100 - Administration (PR)</i>				
P0103138	00197643	WA WILDLIFE & REC COALITION	2019 WWRC Membership Renewal	400.00
	00197653	US BANK CORP PAYMENT SYS	Parks Maintenance Team Manage	300.25
	00197653	US BANK CORP PAYMENT SYS	Annual American Planning Asso	95.00
	00197653	US BANK CORP PAYMENT SYS	P&R YFS online marketing	68.75
	00197653	US BANK CORP PAYMENT SYS	Laminating sheets, mouse pad &	50.56
	00197653	US BANK CORP PAYMENT SYS	P&R online survey	38.51
	00197653	US BANK CORP PAYMENT SYS	Laminating Sheets - maintenanc	19.79
	00197653	US BANK CORP PAYMENT SYS	Parks Maintenance Team Manage	9.90
<i>Org Key: PR2100 - Recreation Programs</i>				
	00197653	US BANK CORP PAYMENT SYS	Participant scholarship	303.00
	00197653	US BANK CORP PAYMENT SYS	CPRP certification test.	265.00
	00197653	US BANK CORP PAYMENT SYS	CPRP Registration Fee	265.00
	00197653	US BANK CORP PAYMENT SYS	Senior trip to Seattle Aquariu	167.70
	00197653	US BANK CORP PAYMENT SYS	Parent's Night Out supplies	134.05
	00197653	US BANK CORP PAYMENT SYS	Participant scholarship	104.25
	00197653	US BANK CORP PAYMENT SYS	Participant scholarship	87.00
	00197653	US BANK CORP PAYMENT SYS	Participant scholarship	69.00
	00197653	US BANK CORP PAYMENT SYS	Parent's Night Out supplies	30.79
	00197653	US BANK CORP PAYMENT SYS	Senior Social program.	27.95
	00197653	US BANK CORP PAYMENT SYS	FB boost	24.72
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	11.40
	00197653	US BANK CORP PAYMENT SYS	Parent's Night Out supplies	3.01
	00197653	US BANK CORP PAYMENT SYS	Participant scholarship refund	-87.00
<i>Org Key: PR2108 - Health and Fitness</i>				
P0103145	00197646	WANG NING MARTIAL ARTS ACA LLC	Instructor fees plus drop ins	2,106.00
P0103145	00197646	WANG NING MARTIAL ARTS ACA LLC	Instructor fees - course #3530	1,232.70
P0103168	00197708	PARKINK	Championship t-shirts for	230.10

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: PR3500 - Senior Services</i>				
	00197653	US BANK CORP PAYMENT SYS	senior social supplies	78.40
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	75.97
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	67.93
	00197653	US BANK CORP PAYMENT SYS	Senior Social lunches during m	39.98
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	39.98
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	15.08
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	14.38
	00197653	US BANK CORP PAYMENT SYS	First Friday with Friends punc	12.61
	00197653	US BANK CORP PAYMENT SYS	Senior Social program.	12.26
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	11.01
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	6.37
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	3.00
<i>Org Key: PR4100 - Community Center</i>				
	00197712	PUGET SOUND ENERGY	ENERGY USE MARCH 2019	1,180.41
	00197653	US BANK CORP PAYMENT SYS	CPRP (Certified Parks & Recrea	265.00
	00197653	US BANK CORP PAYMENT SYS	coffee supplies for rentals	156.42
P0103190	00197668	CRYSTAL SPRINGS	starbucks coffee for machine	107.49
	00197653	US BANK CORP PAYMENT SYS	coffee supplies for rentals	80.65
	00197653	US BANK CORP PAYMENT SYS	Storage supplies - marketing	54.64
	00197653	US BANK CORP PAYMENT SYS	ADMP Open House Refreshments	53.45
	00197653	US BANK CORP PAYMENT SYS	Storage compartment for back o	52.79
	00197662	CENTURYLINK	PHONE USE MARCH 2019	52.57
	00197653	US BANK CORP PAYMENT SYS	media supplies and coffee mach	47.94
	00197653	US BANK CORP PAYMENT SYS	media supplies and coffee mach	39.58
	00197653	US BANK CORP PAYMENT SYS	coffee supplies for rentals	38.48
	00197653	US BANK CORP PAYMENT SYS	marketing supplies	18.82
	00197653	US BANK CORP PAYMENT SYS	cleaning supplies	16.03
	00197653	US BANK CORP PAYMENT SYS	back office supplies	9.98
	00197653	US BANK CORP PAYMENT SYS	supplies for Game Room	9.67
<i>Org Key: PR5400 - Gallery Program</i>				
	00197653	US BANK CORP PAYMENT SYS	Gallery supplies	78.66
	00197653	US BANK CORP PAYMENT SYS	Arts Council Retreat on 03.02	40.00
	00197653	US BANK CORP PAYMENT SYS	Corner protectors for MI Galle	19.79
	00197653	US BANK CORP PAYMENT SYS	Gallery supplies	5.82
<i>Org Key: PR5600 - Cultural &amp; Performing Arts</i>				
	00197653	US BANK CORP PAYMENT SYS	2019 MMIP - Call for Artists a	260.00
<i>Org Key: PR5700 - Special Programs</i>				
	00197653	US BANK CORP PAYMENT SYS	Arts Council Retreat on 03.02	84.22
	00197653	US BANK CORP PAYMENT SYS	Registration for Creative Dist	42.39
	00197653	US BANK CORP PAYMENT SYS	Registration for Creative Dist	42.39
<i>Org Key: PR6100 - Park Maintenance</i>				
	00197712	PUGET SOUND ENERGY	ENERGY USE MARCH 2019	2,836.42
	00197653	US BANK CORP PAYMENT SYS	Small Tools & Equipment	180.00
P0103042	00197676	GRAINGER	HEADLAMPS	126.32
	00197653	US BANK CORP PAYMENT SYS	Tuition & Registrations	42.00
P0103041	00197676	GRAINGER	HEADLAMP	42.11

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00197653	US BANK CORP PAYMENT SYS	Shipping of personal items to	16.49
<i>Org Key: PR6200 - Athletic Field Maintenance</i>				
P0103132	00197719	SITEONE LANDSCAPE SUPPLY LLC	MOUND CLAY (40 BAGS) & TURFACE	862.06
	00197662	CENTURYLINK	PHONE USE MARCH 2019	125.11
<i>Org Key: PR6500 - Luther Burbank Park Maint.</i>				
	00197712	PUGET SOUND ENERGY	ENERGY USE MARCH 2019	1,518.88
	00197662	CENTURYLINK	PHONE USE MARCH 2019	216.30
<i>Org Key: PR6600 - Park Maint-School Related</i>				
P0103132	00197719	SITEONE LANDSCAPE SUPPLY LLC	MOUND CLAY (40 BAGS) & TURFACE	862.07
	00197712	PUGET SOUND ENERGY	ENERGY USE MARCH 2019	668.20
P0103029	00197718	SECURITY SAFE & LOCK	replacement cabinet locks at S	163.00
<i>Org Key: PR6900 - Aubrey Davis Park Maintenance</i>				
	00197712	PUGET SOUND ENERGY	ENERGY USE MARCH 2019	398.88
P0102825	00197726	UNITED SITE SERVICES	Lid Park Boat Launch -	356.35
P0102825	00197726	UNITED SITE SERVICES	Aubrey Davis & Lid	151.20
<i>Org Key: ST0020 - ST Long Term Parking</i>				
P0103192	00197654	PARKWAY CENTER MANAGEMENT GRP	April rent payment under Purch	7,000.00
<i>Org Key: VCP104 - CIP Streets Salaries</i>				
	00197653	US BANK CORP PAYMENT SYS	PE License Renewal	29.00
<i>Org Key: VCP402 - CIP Water Salaries</i>				
	00197653	US BANK CORP PAYMENT SYS	PE License Renewal	29.00
<i>Org Key: VCP426 - CIP Sewer Salaries</i>				
	00197653	US BANK CORP PAYMENT SYS	PE License Renewal	29.00
<i>Org Key: VCP432 - CIP Storm Drainage Salaries</i>				
	00197653	US BANK CORP PAYMENT SYS	PE License Renewal	29.00
<i>Org Key: WD722R - Sub Basin 3b.4 Watercourse</i>				
P0101491	00197660	CARDNO INC	WATERCOURSE STABALISATION PROJ	3,366.04
<i>Org Key: WD724R - Sub Basin 29.2 Watercourse</i>				
P0101491	00197660	CARDNO INC	WATERCOURSE STABILIZATION PROJE	6,251.21
<i>Org Key: WG141E - MICEC Equipment Replacement</i>				
	00197653	US BANK CORP PAYMENT SYS	Basketball hoop padding	536.67
<i>Org Key: WPI22P - Open Space - Pioneer/Engstrom</i>				
P0102825	00197726	UNITED SITE SERVICES	Pioneer Park - 2019 Portable T	75.60
<i>Org Key: WPI22R - Vegetation Management</i>				
P0102736	00197673	EARTHCORPS INC	2019-2020 Forest Restoration	905.00
	00197653	US BANK CORP PAYMENT SYS	Tuition & Registrations	95.00
<i>Org Key: WP700P - Aubrey Davis Multiuse Corridor</i>				
	00197727	USPS	POSTAGE FOR ALL ISLAND MAILING	1,913.34
<i>Org Key: WP720R - Recurring Park Projects</i>				
P0102446	00197704	NORTHWEST NURSERIES INC	Bareroot trees	1,430.00

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00197653	US BANK CORP PAYMENT SYS	Soil testing for North Mercer	52.00
<i>Org Key: YF1100 - YFS General Services</i>				
	00197653	US BANK CORP PAYMENT SYS	Office Supplies	24.37
<i>Org Key: YF1200 - Thrift Shop</i>				
	00197653	US BANK CORP PAYMENT SYS	Advertising	835.78
	00197712	PUGET SOUND ENERGY	ENERGY USE MARCH 2019	633.48
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	439.66
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	72.79
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	29.64
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	26.33
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	13.20
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	9.00
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	-9.99
<i>Org Key: YF2100 - School/City Partnership</i>				
	00197653	US BANK CORP PAYMENT SYS	"Clinical Supervision" trainin	149.99
<i>Org Key: YF2200 - Senior Outreach Program</i>				
	00197653	US BANK CORP PAYMENT SYS	Training for Gallio Marzano, Y	115.00
<i>Org Key: YF2300 - VOICE Program</i>				
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	500.00
	00197653	US BANK CORP PAYMENT SYS	Operating Supplies	264.00
<i>Org Key: YF2600 - Family Assistance</i>				
	00197653	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	210.00
	00197653	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	150.00
	00197653	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	150.00
	00197653	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	150.00
	00197653	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	150.00
	00197653	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	100.00
	00197653	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	54.00
	00197653	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	6.60
	00197653	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	-210.00
<i>Org Key: YF2800 - Fed Drug Free Communities Gran</i>				
	00197653	US BANK CORP PAYMENT SYS	P&R YFS online marketing	68.76
Total				<u>300,777.59</u>



# CITY OF MERCER ISLAND CERTIFICATION OF PAYROLL

**PAYROLL PERIOD ENDING**  
**PAYROLL DATED**

**3.23.2019**  
**4.12.2019**

Net Cash	\$	542,936.31
Net Voids/Manuals	\$	10,011.02
<b>Net Total</b>	<b>\$</b>	<b>552,947.33</b>
Federal Tax Deposit - Key Bank	\$	87,328.09
Social Security and Medicare Taxes	\$	48,932.87
Medicare Taxes Only (Fire Fighter Employees)	\$	2,617.74
State Tax (Oregon)	\$	215.82
Public Employees Retirement System 1 (PERS 1)	\$	-
Public Employees Retirement System 2 (PERS 2)	\$	28,115.86
Public Employees Retirement System 3 (PERS 3)	\$	6,843.89
Public Employees Retirement System (PERSJM)	\$	792.58
Public Safety Employees Retirement System (PSERS)	\$	205.86
Law Enforc. & Fire fighters System 2 (LEOFF 2)	\$	27,377.99
Regence & LEOFF Trust - Medical Insurance	\$	13,008.81
Domestic Partner/Overage Dependant - Insurance	\$	1,942.03
Group Health Medical Insurance	\$	981.62
Health Care - Flexible Spending Accounts	\$	2,304.27
Dependent Care - Flexible Spending Accounts	\$	1,576.94
United Way	\$	80.00
ICMA Deferred Compensation	\$	39,577.95
Fire 457 Nationwide	\$	17,124.21
Roth - ICMA	\$	310.00
Roth - Nationwide	\$	770.25
401K Deferred Comp	\$	713.84
Garnishments (Chapter 13)	\$	621.36
Tax Levy	\$	621.77
Child Support	\$	599.99
Mercer Island Employee Association	\$	320.00
Cities & Towns/AFSCME Union Dues	\$	-
Police Union Dues	\$	-
Fire Union Dues	\$	2,019.69
Fire Union - Supplemental Dues	\$	154.00
Standard - Supplemental Life Insurance	\$	-
Unum - Long Term Care Insurance	\$	642.95
AFLAC - Supplemental Insurance Plans	\$	636.51
Coffee Fund	\$	94.00
Transportation	\$	137.08
HRA - VEBA	\$	4,497.65
Miscellaneous	\$	135.07
Nationwide Extra	\$	-
GET	\$	250.00
Oregon Transit Tax and Oregon Benefit Tax	\$	3.74
<b>Tax &amp; Benefit Obligations Total</b>	<b>\$</b>	<b>291,554.43</b>

**TOTAL GROSS PAYROLL** **\$ 844,501.76**

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Mercer Island, and that I am authorized to authenticate and certify to said claim.

*Charles L. Corder*

Finance Director

I, the undersigned, do hereby certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

Mayor

Date





# CITY COUNCIL MINUTES REGULAR MEETING APRIL 2, 2019

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## CALL TO ORDER & ROLL CALL

Mayor Debbie Bertlin called the meeting to order at 6:01 pm in the Council Chambers of City Hall, 9611 SE 36th Street, Mercer Island, Washington.

Mayor Debbie Bertlin, Deputy Mayor Salim Nice, and Councilmembers Lisa Anderl, Bruce Bassett, Wendy Weiker (arrived 6:06 pm), and Benson Wong were present. Councilmember David Wisenteiner was absent.

## AGENDA APPROVAL

It was moved by Nice; seconded by Bassett to:

**Approve the agenda as presented.**

Passed: 5-0

FOR: 5 (Anderl, Bassett, Bertlin, Nice, and Wong)

ABSENT: 2 (Weiker and Wisenteiner)

## STUDY SESSION

### AB 5544: Parks 2019-2020 Major Projects Update

Parks and Recreation Director Jessi Bon and Parks Superintendent Paul West outlined the Parks 2019-2020 Major Projects for Council as follows:

- Prevailing Wage Rate Status Update
- Parks, Recreation, and Open Space (PROS) Plan Update
- ADA Transition Plan
- Aubrey David Master Park Plan
- Groveland Beach Dock and Shoreline
- Clarke Beach Swim Enclosure Removal
- South Mercer Playfield Backstop Improvements
- Luther Burbank Waterfront Plaza
- Luther Burbank Dock Reconfiguration
- Future Capital Planning

Director Bon and explained that the focus for the 2019-2020 biennium is on maintaining existing park assets, with safety projects identified as the highest priority. She noted that this approach is not keeping pace with the aging infrastructure needs of the Mercer Island parks system. Unfortunately, existing funding resources for City parks capital projects (REET, impact fees, the Parks Maintenance and Operations Levy, the King County Parks Levy, grants, and community donations) fall significantly short of meeting the capital funding needs of the City's parks system and many projects are dependent on grant awards.

Director Bon also reported that the PROS Plan update will include a comprehensive parks infrastructure assessment with a life-cycle analysis and planning level cost estimates for infrastructure replacement. The Plan will also include a long-term strategy to address the park shoreline infrastructure and position the City to be competitive for grants.

Staff responded to Council questions and agreed to keep Council updated on the status of grant applications.

## **SPECIAL BUSINESS**

### **Citizen of the Year**

The Mercer Island City Council presented the 2018 Citizen of the Year Award to Lisa and Rino Caruccio.

Mayor Bertlin identified a long list of community contributions by the Caruccios, noting that they are truly committed to the Mercer Island community and that their support for the people and the culture on Mercer Island is commendable and deeply appreciated.

Lisa and Rino thanked the Council for the award and recognition.

### **AB 5543: Sexual Assault Awareness Month Proclamation**

Assistant to the City Manager Ali Spietz introduced Lawton Penn, Vice President of King County's Sexual Assault Resource Center's Board of Directors and a Mercer Island resident to receive the proclamation.

Mayor Bertlin proclaimed April 2019 as Sexual Assault Awareness Month in Mercer Island and urged all residents to join advocates and communities across King County in taking action to prevent sexual violence by standing with survivors. Together, we commit to a safer future for all children, young people, adults, and families in our community.

### **In Memory of Myra Lupton**

Mayor Bertlin reported that Myra Lupton passed away on Sunday, March 31, and took a few moments to remember her as one of Mercer Island's most engaged residents.

## **APPEARANCES**

Jody Kris, President of the Mercer Island Youth and Family Services Foundation, reported that the Foundation is in partnership with the City to help backfill funding on YFS positions cut as a result of Proposition 1 failing, noting that the 50% cut to the geriatric position was restored by the Foundation. She further reported that the MIYFS Foundation has partnered with the Mercer Island School's Foundation to fund the school-based counseling positions cut for the remaining part of the 2019-2020 school year, to allow more time to find a long-term solution.

Mayor Bertlin outlined the next steps before determining how to proceed with the funding from the Foundations, noting that on April 16 the Fiscal Sustainability Plan will be presented by Management Partners and on April 30 staff will provide a comprehensive overview of the Youth and Family Services funding.

Trevor Reed, Mercer Island, explained that he is a transit planner by trade and expressed concern for the Transit Plan, light rail, and Aubrey Davis Park. He encouraged Council to adopt Complete Streets standards and the North Association of City Transportation Officials standards.

Dwight Schaeffer, Mercer Island, addressed the City's contributions to ARCH and encouraged the City Council to eliminate funding for ARCH and prioritize the needs of Mercer Island citizens and efficiencies of Mercer Island government.

Gary Robinson, Mercer Island, spoke to the City Attorney's recent resignation and encouraged the City Council to create a new organizational life cycle and begin building again, explaining that this can only occur when the City Council and City Manager listen to residents and act on what residents prefer.

## **CONSENT CALENDAR**

Mayor Bertlin reported that Councilmember Anderl asked to remove AB 5546: 2018 Budget Carryover Requests from the Consent Calendar. Mayor Bertlin moved it to the first item of Regular Business.

**Payables: \$343,951.76 (03/18/2019) & \$183,118.82 (03/21/2019)**

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

**Payroll: \$841,843.04 (03/29/2019)**

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

**Minutes: February 1-2, 2019 Planning Session Minutes & March 19, 2019 Regular Meeting Minutes**

**Recommendation:** Adopt the February 1-2, 2019 Planning Session Minutes and the March 19, 2019 Regular meeting minutes.

**AB 5548: Open Space Conservancy Trust 2018 Annual Report and 2019 Work Plan**

**Recommendation:** Receive report.

**AB 5549: Adoption of the 2019-2020 City Council Priorities and Work Plan**

**Recommendation:** Adopt the 2019-2020 City Council Priorities and Work Plan.

It was moved by Bassett; seconded by Nice to:

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

Passed 6-0

FOR: 6 (Anderl, Bassett, Bertlin, Nice, Weiker, and Wong)

ABSENT: 1 (Wisenteiner)

## **REGULAR BUSINESS**

### **AB 5546: 2018 Budget Carryover Requests**

Finance Director/Assistant City Manager Chip Corder reviewed the 2018 Budget carryover requests with Council, explaining that every two years staff identifies unspent budget from the prior biennium primarily related to contracted services and capital projects/purchases that are still in progress or otherwise delayed. Staff then seeks Council approval to carry over the unspent budget for these items to the current biennial budget to complete the purchases, services, and projects.

Director Corder reported that the 2018 budget carryover requests operating budget and CIP budget carryovers.

In response to Council questions regarding ARCH contributions, staff explained that the 2018 Budget carryover requests do not impact ARCH. Mayor Bertlin also responded outlining the Council meeting timeline for discussion as follows:

- April 16 - Fiscal Sustainability Plan Strategies & Scenarios
- April 30 - Youth & Family Services Fund
- May 7 - ARCH Work Program, Budget, and Trust Fund Approval

It was moved by Bassett; seconded by Wong to:

**Approve the 2018 budget carryover requests summarized in Agenda Bill 5546.**

Passed 6-0

FOR: 6 (Anderl, Bassett, Bertlin, Nice, Weiker, and Wong)

ABSENT: 1 (Wisenteiner)

### **AB 5550: Parks and Recreation Commission Recruitment and Work Plan**

Parks and Recreation Director Jessi Bon spoke about the new seven-member Parks and Recreation Commission the Council created in January 2019. Director Bon explained the general responsibilities of the Parks & Recreation Commission, recruitment efforts, and how to learn more about serving on the Commission.

Assistant to the City Manager Ali Spietz outlined the Boards and Commission recruitment process and noted that applications are due May 3.

In response to Council questions regarding Commission authority, Director Bon explained that staff will explain to Commission members that they are policy advisors to the City Council. She further explained how the Parks & Recreation Commission's role will be different from the Open Space Trust.

### **AB 5545: Proposed Deficit Spending Reductions to 2019-2020 General Fund Adopted Budget**

Assistant City Manager/Finance Director Chip Corder reviewed the proposed deficit spending reductions to the 2019-2020 General Fund Adopted Budget explaining that the 2019-2020 General Fund and Youth & Family Services (YFS) Fund adopted budgets were balanced by assuming no levy lid lift, using \$1.78 million in one-time resources and making \$1.36 million in net service level reductions.

Director Corder further explained that following the failure of Proposition 1, the Council directed staff to reduce the amount of one-time resources used to balance the 2019-2020 General Fund and YFS Fund budgets by \$1.20 million. He further noted that after Council reviewed the proposed deficit spending reductions at its February Planning Session, Council directed staff to:

- Identify one-time funding to restore two Elementary School Mental Health Counselors that were cut in the 2019-2020 adopted budget, and
- Provide a comprehensive briefing to the Council on YFS Department funding.

Director Corder outlined a summary of proposed expenditure reductions and new revenues, noting that the \$1.34 million is in addition to the \$1.36 million in net expenditure reductions, where were included into the 2019-2020 adopted budget. He also summarized proposed staffing changes which included restoring a Deputy Fire Chief position in 2020 and eliminating the following positions:

- Senior Project Manager in 2020 (City Manager's Office)
- Helpdesk Technician in 2019 (IGS Department)
- MICEC Reservations Specialist in 2019 (Parks & Recreation Department)

Council discussed whether to decide that evening on the proposed deficit spending reductions or wait until after the April 16 discussion with Management Partners regarding the Fiscal Sustainability Plan and the comprehensive review of the YFS Fund on April 30. Council debated restoring the Deputy Fire Chief position and the impact of staff reductions on moral and recruitment.

Staff responded to Council questions and it was agreed that the final decision on proposed deficit spending reductions would be made on May 7, when the ordinance amending the 2019-2020 Biennial Budget would be considered for Council adoption.

It was moved by Bassett; seconded by Nice to:

**Approve the proposed deficit spending reductions in the General Fund to the 2019-2020 adopted budget and direct staff to prepare a budget amending ordinance as part of the next financial status report.**

Passed 6-0

FOR: 6 (Anderl, Bassett, Bertlin, Nice, Weiker, and Wong)

ABSENT: 1 (Wisenteiner)

### **OTHER BUSINESS**

#### **Councilmember Absences**

Councilmember Wisenteiner's absence was excused.

Council consensus was to cancel the July 2, 2019 Regular Meeting.

#### **Planning Schedule**

Parks & Recreation Director Jess Bon reported on the following:

- A 60-minute executive session was added to the April 16 meeting beginning at 5 pm.
- Mercer Island Transit Interchange report was moved to the April 30 meeting.
- ARCH will join Council for the May 7 Study Session and a second item related to ARCH will be on Regular Business.

## Board Appointments

There were no appointments.

Mayor Bertlin reminded Council that the Boards and Commission Annual Recruitment process was open, and that the City was seeking to fill the following positions:

- Arts Council – 2 positions
- Design Commission – 2 positions
- Parks & Recreation Commission – 7 positions
- Planning Commission – 2 positions

Mayor Bertlin further reported that the deadline to submit applications was May 3.

## Councilmember Reports

Councilmember Bruce Bassett reported that he participated in the Sound Transit tour with Deputy Mayor Salim Nice and encouraged other Council members to participate in the next tour. He also reported that he would be in Olympia on Thursday to testify on the Clean Fuel Standard Bill.

Councilmember Wong attended an appreciation event for former Councilmember Terry Pottmeyer who retired from Friends of Youth on March 29.

Councilmember Wendy Weiker thanked City Attorney Kari Sand for her service. She also reported that the SCA dinner was on April 3 and on the outcome of the Mercer Island Rotary 10K

Mayor Bertlin reported that she attended Friendship Circle last week on Mercer Island, the Jewish Family Services event earlier that day, and that the Mountains to Sound breakfast was scheduled for April 3.

## Statement of Mayors

Mayor Bertlin reported on the Statement of Mayors letter on the Council dais and whether Council wished to have Councilmember Wong vote at the Sound Cities Association PIC meeting to support the Sound Cities Association endorsement of the letter. She noted she was only made aware of the letter that day and there wasn't time to submit it to Council earlier.

Council debated at length whether to support SCA's endorsement of the Statement of Mayors, the short notice of the letter, and whether Mayor Bertlin should sign it as well. Council did not support Mayor Bertlin signing the Statement of Mayors.

**Council Consensus** was 4-2 to support SCA's endorsement of the Statement of Mayors.

Mayor Bertlin reported that City Manager Underwood and Community Planning & Development Director Evan Maxim intended to share a draft of the 2050 Vision comments prior to the April 29 deadline.

## ADJOURNMENT

The Regular Meeting adjourned at 9:23 pm.

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Debbie Bertlin, Mayor

Attest:

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Deborah A. Estrada, City Clerk



**BUSINESS OF THE CITY COUNCIL  
CITY OF MERCER ISLAND, WA**

**AB 5552  
April 16, 2019  
Regular Business**

<b>FISCAL SUSTAINABILITY PLAN: REVIEW FINANCIAL FORECAST, BUDGET STRATEGIES, RECOMMENDATIONS, AND PUBLIC ENGAGEMENT PLAN</b>	<b>Action:</b> Receive presentation from Management Partners and discuss	<input checked="" type="checkbox"/> Discussion Only <input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
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<b>DEPARTMENT OF</b>	City Manager (Julie Underwood)
<b>COUNCIL LIAISON</b>	n/a
<b>EXHIBITS</b>	1. Budget Strategies Analyses and Recommendations Prepared by Management Partners
<b>2019-2020 CITY COUNCIL PRIORITY</b>	1. Implement a Fiscal Sustainability Plan
<b>APPROVED BY CITY MANAGER</b>	

<b>AMOUNT OF EXPENDITURE</b>	\$	n/a
<b>AMOUNT BUDGETED</b>	\$	n/a
<b>APPROPRIATION REQUIRED</b>	\$	n/a

**SUMMARY**

**BACKGROUND**

Since 2014, staff has projected operating deficits beginning in 2017, driven by annual revenue growth failing to keep pace with annual expenditure growth. The City projected operating deficits for the 2017-2018 Biennial Budget; however, was able to balance the budget using one-time monies available through the Criminal Justice Fund (original restrictions to this fund were lifted). Additionally, the City experienced significant development, which infused one-time construction sales tax revenues, allowing the City to continue to maintain services.

The City began educating the community about the City’s financial challenges starting in June 2017 with a robust community engagement plan that included convening a 23-member Community Advisory Group (CAG). The CAG met from November 2017 to April 2018 to review and help the City determine how best to address its projected budget deficits in 2019-2024. Most of the CAG members (17 of 23 members, or 74%) recommended that the City place an operating levy on the November 2018 ballot, which would fund the continuation of essential and quality of life services.

In addition, the City conducted its [Biennial Community Survey](#) in April 2018. The survey asked the question: “If the City asked voters to approve a 6-year levy lid lift that would raise property taxes enough to avoid reductions in service levels, what is the maximum increase in property taxes that you would be willing to pay?”

The results showed that:

- 21% would pay \$28 per month
- 25% would pay \$21 per month
- 43% do not want increases in taxes
- 11% do not know

When factoring out the “don’t know” responses, the results are as follows:

- 24% would pay \$28 per month
- 27% would pay \$21 per month
- 49% do not want increases in taxes

These results indicated an evenly split community. And as the survey consultant remarked, without a wide-spread education campaign, he predicted it would fail.

**PROPOSITION 1: 6-YEAR LEVY LID LIFT**

In November 2001, Washington State voters passed Initiative No. 747, limiting cities’ ability to increase their levies by more than one percent per year without voter approval. Initiative 747 did not claim that property taxes could not be raised; the intent of the Initiative was to have governments expressly ask their voters to approve such an increase.

The Council discussed the City’s financial challenges extensively in 2018, including on May 15 ([AB 5422](#)), June 5 ([AB 5440](#)), June 9 ([Council’s Mini-Planning Session](#)), June 19 ([AB 5445](#)), July 10 ([AB 5448](#)), and July 17 ([AB 5457](#)). The City had its General fund financial forecast reviewed by an independent municipal consulting firm, Management Partners, which delivered its report to the City Council on July 10, 2018. Their report indicated that, subject to some minor modifications, the forecast model formed a reasonable basis upon which the City Council could formulate fiscal policies. The “baseline” version of the model indicated a long-term structural deficit in the General Fund that would grow to nearly \$7.8 million annually by FY 2024 if no action was taken to resolve the fiscal gap. Based on this information, the City Council approved an ordinance on July 24, 2018 to place a six-year levy on the November 6, 2018 ballot. The ballot included the following:

Sustaining current levels of police/emergency, mental health counseling, safety net, park/right-of-way maintenance, and recreation services	
2019 Levy Rate Amount ( <i>per \$1,000 Assessed Value</i> )	\$0.238
Limit Factor (2020-2024)	3%
Cost to Median Assessed Value Homeowner (\$1.2M)	\$286

The Proposition 1 election outcome was as follows:

YES	5,949	42.51%
NO	8,049	57.49%

**2019-2020 BIENNIUM BUDGET**

When preparing the 2019-2020 Biennium Budget in the fall of 2018, the City Council and staff assumed there would be no additional property tax levy revenue from a levy lid lift. Thus, to balance the budget, the City made \$1.36 million in reductions and used \$1.83 million in one-time monies. With the failure of the levy lid lift ballot measure, the Council directed staff to reduce the amount of one-time resources used to balance the budget in order to begin the process of transitioning to new lower levels of service. On April 2, 2019 the Council approved an additional \$1.34 million in reductions in 2019-2020, for a total of \$2.7 million in staffing and service level changes over the biennium.

**FISCAL SUSTAINABILITY PLAN**

As part of the Proposition 1 ordinance, the Council directed staff to prepare a Fiscal Sustainability Plan (FSP). The Council retained Management Partners, building on their forecasting review, to assist the City in developing the FSP. This effort was kicked-off at the Council’s December 18, 2018 meeting (see [AB 5520](#)) and a progress report was presented at their March 19, 2019 meeting (see [AB 5539](#)).

Additionally, at its annual planning session in February 2019, the Council identified the implementation of a Fiscal Sustainability Plan as one of its priorities. The Council formally adopted their Priorities and Work Plan on April 2, 2019 (see [AB 5549](#)).

This evening, Management Partners will present the attached Budget Strategies Analyses and Recommendations (see Exhibit 1). Part of this discussion includes reviewing the updated baseline General Fund forecast and the three proposed budget scenarios, identifying additional information/data needed, and discussing the proposed public outreach and engagement plan.

Please note that the Youth and Family Services (YFS) Fund, which is also forecasted to experience projected deficits, is not being discussed in the FSP. The Council is scheduled to discuss the YFS Fund separately on April 30, 2019.

**PROPOSED PUBLIC OUTREACH AND ENGAGEMENT PLAN**

It is imperative to have a thorough and robust communications and engagement plan when discussing the City’s fiscal challenges and the possible solutions as they will have significant impacts on service levels.

The proposed public outreach and engagement process is designed to seek broad community input, which will help the Council in its deliberations to finalize and adopt the FSP. Staff has divided the process into two efforts. A summary outline with proposed activities and timeline are below.

1. Online Engagement – During the summer, it can be difficult to get the community’s attention, and rather than host community meetings during this time, staff is proposing an online engagement effort. This would include setting up “Let’s Talk,” which would host Management Partners’ material, include short 3-4-minute videos (City’s consultant would summarize each of the scenarios), provide a space for Q&A, receive the public’s comments, and conduct online polling.
2. Public Engagement – Starting in the fall, the staff recommends that the City host several meetings including a Town Hall (traditional format) and a Telephone Town Hall that would include Management Partners presenting the material and staff collecting feedback. In addition, staff would visit with various stakeholder groups to seek input.

<b>ONLINE ENGAGEMENT May - October 2019</b>	
1. Prepare Let’s Talk with FSP information & create short 3-4-minute videos	May
2. Launch Let’s Talk page <ol style="list-style-type: none"> <li>a. Promote Let’s Talk via MI Weekly and social media platforms</li> <li>b. Respond to Q&amp;A from the public</li> <li>c. Prepare various polls and promote for public input</li> <li>d. Expand on Q&amp;A, if high community interest, with more information and/or videos</li> </ol>	June-October
<b>PUBLIC ENGAGEMENT September - March 2019</b>	
3. Host at least one Town Hall at the Community Center; Management Partners to present forecast and scenarios and answer questions; staff to collect feedback	September/October



4. City Manager and staff attends/presents at various stakeholder/community meetings: a. Chamber of Commerce b. Mercer Island Preschool Association c. Mercer Island Rotary Club d. Parent Teacher Associations e. Others TBD	September-December
5. Host a Telephone Town Hall (Management Partners to participate via phone)	October
6. City Council and School Board convenes Linkages Meeting	October
7. City Manager presents the "State of City" at the Chamber Luncheon	November
8. Host a Town Hall at the Community Center to collect feedback on Council's direction from 2020 Planning Session to finalize the FSP	March

*Please note: the above is subject to change.*

It is also worth noting the vital role that the City Council has in this process. The Council provides oversight, clarification, direction and decisions. Over the next year, the Council will play an active part in listening to the public, reviewing proposals and recommendations, and adopting and implementing the City's Fiscal Sustainability Plan. Below is a summary and proposed timeline for the Council's engagement process.

<b>CITY COUNCIL ENGAGEMENT December 2018 - March 2020</b>	
A. Management Partners and staff kick-off the Fiscal Sustainability Plan development process	December 18, 2018
B. Management Partners provides a progress report	March 19, 2019
C. Staff presents additional proposed deficit spending reductions for the 2019-2020 Budget as per Council's direction	April 2
D. Management Partners presents the Budget Strategies Analyses and Recommendations	April 16
E. Staff presents the Year-End 2018 Financial Status Report	May 7
F. Staff presents 1 <sup>st</sup> Quarter 2019 Financial Status Report	May 21
G. Management Partners provides Council follow-up/responds to information/data requests (if necessary)	June 4
H. Council identifies organizational efficiency assessments it would like conducted	June 4
I. Staff hosts Council Candidate Orientation	June 6
J. Staff works with outside consultants on assessments and presents findings and recommendations	June-December
K. Council provides staff with direction on which strategies, scenarios, and/or recommendations to seek the public's input on	June 21 Mid-year Planning Session
L. Staff presents 2 <sup>nd</sup> Quarter 2019 Financial Status Report	September 3 or 10
M. Staff presents 3 <sup>rd</sup> Quarter 2019 Financial Status Report	November 19
N. Staff hosts Council-Elect Orientation	December
O. Council reviews public outreach results, additional financial information/data, and provides direction to finalize the FSP	January/February 2020 Annual Planning Session
P. Council adopts final FSP	March/April

*Please note: the above is subject to change.*

## **RECOMMENDATION**

*City Manager*

Receive and discuss the Budget Strategies Analyses and Recommendations prepared and presented by Management Partners



To: Ms. Julie Underwood, City Manager  
Mr. Chip Corder, Assistant City Manager/Finance Director  
Ms. Ali Spietz, Assistant to the City Manager

From: Andrew Belknap, Regional Vice President  
Steve Toler, Partner  
Don Rhoads, Special Advisor  
Jim Steele, Special Advisor

Subject: Budget Strategies Analyses and Recommendations

Date: April 16, 2019

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## **Executive Summary**

Management Partners has been working with the City of Mercer Island during the past several months to identify potential budget strategies that would form the basis of a fiscal sustainability plan to address the City's General Fund fiscal gap identified in its six-year financial forecast.

The six-year forecast for FY 2019 through FY 2024 was developed by staff. Management Partners analyzed impacts of extending the forecast to ten-years to identify long-range revenue and expenditure trends that might impact the City's fiscal health that the six-year forecast does not already show. However, as we began to perform that extension, it became clear that expenditure growth would outpace revenue growth. This is primarily due to the 1% limitation on the annual property tax levy increase per state law, and binding interest arbitration for police and fire personnel that requires the City to meet cost of living adjustments and comparable compensation packages per the requirements under State law.

City leaders must find options to enhance revenue growth in future years. Without significant development or redevelopment projects that would generate one-time construction tax revenues, there will need to be further cuts to service levels.

The fiscal model assumes that revenue growth will be moderate, anticipates a mild recession in 2021 resulting in a 5% reduction in selected General Fund revenues and recovers by 2023, and expenditure growth based on inflationary factors of a modest 3%. The baseline forecast also includes the deficit spending reductions recommended by staff and approved by the City Council at its April 2, 2019 meeting.

With these baseline assumptions in place, the forecast projects a balanced budget during the FY 2019-2020 biennium for the General Fund. Starting in FY 2021, however, a structural deficit exists that grows from \$1.7 million in FY 2021 to \$4.8 million by FY 2024. Without corrective action, the City's General Fund will be almost fully depleted by FY 2022 and will be in a deficit position by FY 2023.

Given the magnitude and timing of the budget deficit forecast, Management Partners conducted an independent analysis of the City's revenues and costs of service delivery relative to the General Fund to develop options, or strategies, for addressing the challenge. The strategies are provided in Attachment A. They were developed along a continuum that included:

- Expenditure control/cost shifts,
- Service delivery changes designed to reduce expenditures,
- Revenue enhancement opportunities, and
- Service level reductions.

Arraying ideas along such a continuum reflects the priority any organization would have for preserving service delivery to the maximum extent possible consistent with maintaining solvency.

The strategies were developed based on a combination of factors, including Management Partners' experience about approaches other cities and counties throughout Washington state and in other parts of the country are taking as they consider options to address structural deficits. We also identified ideas based on the City's unique opportunities and organizational climate. Several dozen potential strategies were developed in the categories described above.

An important element in developing an appropriate package of strategies for the City is the size and timing of the forecast deficit. Given the timing and size of the fiscal gap (representing nearly 17% of annual operating expenditures), City leaders need to implement significant revenue and expenditure adjustments relatively quickly. Absent such actions, they will almost certainly need to implement significant service level reductions to save \$1.8 million by 2021, growing to \$4.2 million annually by FY 2024 (which represents the least desirable outcome). Such an approach might require positions to be left vacant, or even to consider layoffs, to preserve solvency. In addition, such actions are always disruptive to an organization and often affect operations for a long time.

City leaders must take action in the very near term to implement planned and considered deficit reduction strategies. Because revenue strategies often require voter approval, timing is a critical issue.

## **Organization of this Memorandum**

This memo consists of the following sections and attachments:



- **Comparative Research on Revenues and Expenditures.** This section highlights the results of our comparative research of significant General Fund revenues and expenditures for Mercer Island compared with 10 other agencies.
- **Determining Feasibility.** This section discusses the factors used in determining the feasibility of each strategy.
- **Strategies Considered.** This section identifies the feasibility tiers to which each strategy was assigned.
- **Staff Recommended Budget Strategies Approved by City Council.** Staff presented a series of budget strategies for Council consideration at its February 2019 Planning Session, and the Council formally approved them on April 2, 2019. These strategies are incorporated into our analysis.
- **Budget Strategy Scenarios.** This section discusses three different scenarios that take varied approaches to solve the fiscal gap:
  - Budget Scenario 1: Strong Revenue Strategies, Minor Expenditure Reductions
  - Budget Scenario 2: Balanced Approach – Moderate Revenues; Shared Service Delivery Changes and Minor Service Level Reductions
  - Budget Scenario 3: Strong Operating Expenditure Reductions
- **Attachment A – Detailed Strategies.** This attachment provides an analysis of each of the budget strategies and is organized by four strategy types:
  - **Expenditure Controls/Cost Shifts.** Maintaining service levels through reductions in expenditures or shifting the cost burden away from the General Fund.
  - **Service Delivery Changes.** Maintaining service levels by changing the way that services are delivered, either through contracting for services or insourcing services from other agencies.
  - **Revenue Enhancements.** Maintaining service levels by increasing the resources available to pay for those services through new or increased revenues.
  - **Service Level Reductions.** If the above strategy types do not yield sufficient fiscal savings to the General Fund, the City would need to explore service level reduction strategies in order to achieve fiscal sustainability.
- **Attachment B – Other Strategies Identified Not Specifically Analyzed.** This attachment provides a list of other strategies that were identified during the course of our work but, due to the potential for little or no material impact on the significant fiscal gap, were not researched in detail, however a brief discussion of each strategy identified is included.
- **Appendices** – Two appendices have been included:
  - **Appendix 1** – City Council Approved Net Service Reductions in the 2019-20 Final Budget
  - **Appendix 2** – Staff Proposed General Fund Budget Strategies for the 2019-20 Budget



## Comparative Research on Revenues and Expenditures

In order to understand the relative potential of revenue generating strategies compared with cost reduction strategies, Management Partners compared General Fund revenues and expenditures for Mercer Island and other peer cities in the Puget Sound region. Peer agencies were selected based on population, number of housing units, household median income, and median home value. Data for each criterion was taken from the 2013-2017 American Community Survey Five-Year Estimates. The peers selected for this comparison are presented in Table 1.

Table 1. Comparable Agencies Selected for Peer Research

County	City	Population	Median Household Income
King	Auburn	77,440	\$64,400
	Issaquah	35,629	\$100,844
	Kenmore	22,154	\$96,277
	Kirkland	86,772	\$104,319
	Sammamish	62,877	\$157,271
	SeaTac	28,597	\$51,025
Snohomish	Bothell	44,082	\$89,477
	Lynnwood	37,242	\$58,852
	Mukilteo	21,101	\$100,650
Kitsap	Bainbridge Island	23,689	\$109,341
King	Mercer Island	24,768	\$136,644

Compared with other cities in the region, Mercer Island is relatively small in terms of population and area, while its residents enjoy relatively high household incomes. Given the City's nature as a relative outlier, the initial set of demographically-similar peers was supplemented with a selection of geographically-close agencies used by Mercer Island in salary comparisons.

Agencies in this peer group were compared in terms of projected total General Fund revenue, General Fund revenue by source, and total expenditures for the fiscal year 2019 and 2020 biennial budget period. Total biennial revenues and expenditures were used since eight out of ten peer agencies opt for biennial rather than annual budgets, including agencies that did not disaggregate yearly totals in their documents. For those peers that reported only 2019 budget projections (Issaquah and Mukilteo), 2020 revenues and expenses were estimated based on a 2.5% inflationary growth factor year over year. To normalize General Fund revenue data across cities with very different population sizes, we opted to compare budget information on a per capita basis.

Mercer Island's total General Fund revenues fall just above the median per capita, as represented by Bothell, and approximately \$420 over the average per capita for these peer



agencies (excluding Mercer Island). This overall position implies that the City's per capita revenues are roughly in line with those in the rest of the region. Total General Fund revenues, population, and General Fund revenues per capita, as well as Mercer Island's relative position, can be seen in Table 2.

Table 2. General Fund Revenues per Capita, Mercer Island and Peers

FY2019 and FY2020 Biennial Budgets	Total General Fund Revenues	Population	General Fund per Capita (FY19 and FY20)
Issaquah*	\$106,918,088	35,629	\$3,001
Lynnwood	\$109,246,955	37,242	\$2,933
Kirkland	\$245,083,307	86,772	\$2,824
SeaTac	\$80,457,131	28,597	\$2,813
<b>Mercer Island</b>	<b>\$63,612,940</b>	<b>24,768</b>	<b>\$2,568</b>
Bothell	\$107,608,032	44,082	\$2,441
Auburn	\$147,395,853	77,440	\$1,903
Bainbridge Island	\$37,964,830	23,689	\$1,603
Sammamish	\$87,929,243	62,877	\$1,398
Mukilteo*	\$29,320,481	21,101	\$1,390
Kenmore	\$25,877,871	22,154	\$1,168
<b>Peer Average per Capita Revenue</b>			<b>\$2,148</b>

\* Provided only FY 2019 Budget projections. Biennial estimate based on 2.5% year over year inflation.

Examining total General Fund revenues per capita on their own may obscure imbalances in revenue generation. Taken in isolation, property tax per capita is higher in Mercer Island than in all peers but SeaTac, as shown in Table 3. Revenues generated by property tax for the combined 2019 and 2020 biennium are, on average, \$617 per resident.

Mercer Island's 2019 levy rate of \$0.93285 per \$1,000 of valuation is significantly lower than the peer average levy of \$1.30388 per \$1,000 of valuation. However, the City's 2017 American Community Survey (ACS) estimated median home value is nearly \$355,000 higher than its closest peer, Sammamish. SeaTac's property tax revenues, on the other hand, are driven by the highest property tax levy rate in this peer group, at \$2.56601 per \$1,000 of valuation. SeaTac also has the lowest household median income and second-lowest median home values in this peer group. Property tax revenues per capita for the 2019-2020 biennium for Mercer Island and its peers can be seen below in Table 3.

Table 3. General Fund Property Tax Revenues per Capita, Mercer Island and Peers

General Fund Property Tax Revenues (FY19 and FY20)	Property Tax Amount	Property Tax per Capita
SeaTac	\$34,859,620	\$1,219
<b>Mercer Island</b>	<b>\$25,171,740</b>	<b>\$1,016</b>
Sammamish	\$58,200,000	\$926
Bainbridge Island	\$15,264,000	\$644
Bothell	\$27,792,847	\$630
Auburn	\$43,450,000	\$561
Mukilteo	\$11,222,550	\$532



General Fund Property Tax Revenues (FY19 and FY20)	Property Tax Amount	Property Tax per Capita
Issaquah	\$18,427,943	\$517
Kenmore	\$10,224,205	\$462
Kirkland	\$39,035,971	\$450
Lynnwood	\$8,400,000	\$226
<b>Peer Average per Capita Property Tax Revenue</b>		<b>\$617</b>

Conversely, Mercer Island’s per capita sales tax revenues are on the very low end of the peer range, at an estimated \$413 per resident for 2019 and 2020. This places Mercer Island approximately 43% below the peer average of \$724 in sales tax revenue per capita. The City’s sales tax revenues as a proportion of the General Fund are also the lowest overall among its peers, comprising only 16% of its General Fund, compared with a peer average of 32%. This disparity could be accounted for by Mercer Island’s relatively small retail base, slowing pace of construction, and relatively low density. Per capita sales tax revenue is shown in Table 4.

Table 4. General Fund Sales Tax Revenues per Capita, Mercer Island and Peers

General Fund Sales Tax Revenues (FY19 and FY20)	Sales Tax Amount	Sales Tax Per Capita
Issaquah	\$70,656,211	\$1,983
Lynnwood	\$47,512,736	\$1,276
SeaTac	\$27,772,000	\$971
Bothell	\$32,895,775	\$746
Kirkland	\$55,394,823	\$638
Auburn	\$37,477,600	\$484
Bainbridge Island	\$10,508,000	\$444
<b>Mercer Island</b>	<b>\$10,228,791</b>	<b>\$413</b>
Mukilteo	\$5,467,500	\$259
Sammamish	\$14,800,000	\$235
Kenmore	\$4,450,000	\$201
<b>Peer Average per Capita Sales Tax Revenue</b>		<b>\$724</b>

Given already-high per capita property taxes and the difficulty of increasing sales tax revenues over the short term, utility users’ taxes (UUT) may represent Mercer Island’s best opportunity for per capita revenue generation. However, the City’s current per capita UUT is third-highest among this peer group, and 45% higher than the peer average of \$234. Mercer Island’s current rates are also at the statutory 6% limit for electric, gas, and telephone users’ tax rates that can be imposed without voter approval. The City’s 7% rate on solid waste and cable, which are not limited by state statute, are within the 6% to 10.5% rates charged by those peers reporting rates in their budget documents. On the other hand, Mercer Island’s 5.3% rate on water, sewer, and stormwater is below the 6% to 13.8% rates charged by peers. Water, sewer and stormwater UUT rates are also not subject to voter approval. Notably, two of the peers in this group, SeaTac and Sammamish, charge no utility users’ taxes at all, lowering the per capita peer average. In the



case of SeaTac, this may be balanced by its unusually high property tax levy. Table 5 shows utility users' tax data.

*Table 5. General Fund Utility Users' Tax Revenues per Capita, Mercer Island and Peers*

General Fund Utility Tax Revenues (FY19 and FY20)	Total Utility Tax Amount	Utility Tax per Capita
Bothell	\$16,802,965	\$381
Lynnwood	\$12,788,837	\$343
<b>Mercer Island</b>	<b>\$8,427,672</b>	<b>\$340</b>
Kirkland	\$28,446,819	\$328
Auburn	\$24,804,800	\$320
Bainbridge Island	\$6,877,330	\$290
Mukilteo	\$5,518,125	\$262
Issaquah*	\$8,700,864	\$244
Kenmore	\$3,862,923	\$174
SeaTac	\$0	\$0
Sammamish	\$0	\$0
<b>Peer Average per Capita UUT Revenue</b>		<b>\$234</b>

\*Issaquah does not report disaggregated UUT in its 2019 budget document. Revenues are based on 2018 actuals provided by Issaquah's Director of Finance.

Finally, Mercer Island's budgeted per capita expenditures fall squarely in the middle of the distribution with peers, just above Bothell's position as the median, and \$441 per resident higher than the average for fiscal years 2019 and 2020 combined. This analysis, coupled with Mercer Island's disproportionately low sales tax revenues and moderate room for growth in per capita utility users' tax revenue implies that the City's fiscal sustainability challenge is insufficient revenue generation rather than annual expenditure growth. Mercer Island's relative per capita expenditures is shown in Table 6 below.

*Table 6. General Fund Expenditures per Capita, Mercer Island and Peers*

FY2019 and FY2020 Biannual Budgets	Total General Fund Expenditures	Total Revenue less Total Expenditures	Expenditures per Capita
Issaquah	\$107,356,799	(\$438,710)	\$3,013
Lynnwood	\$111,370,669	(\$2,123,714)	\$2,990
Kirkland	\$245,083,307	\$0	\$2,824
SeaTac	\$79,461,708	\$995,423	\$2,779
<b>Mercer Island</b>	<b>\$63,990,409</b>	<b>(\$377,469)</b>	<b>\$2,584</b>
Bothell	\$104,603,536	\$3,004,496	\$2,373
Auburn	\$158,374,570	(\$10,978,717)	\$2,045
Sammamish	\$96,507,767	(\$8,578,524)	\$1,535
Bainbridge Island	\$32,398,310	\$5,566,520	\$1,368
Mukilteo	\$28,155,353	\$1,165,128	\$1,334





FY2019 and FY2020 Biannual Budgets	Total General Fund Expenditures	Total Revenue less Total Expenditures	Expenditures per Capita
Kenmore	\$25,864,307	\$13,564	\$1,167
<b>Peer Average per Capita Expenditures</b>			<b>\$2,143</b>

## Determining Feasibility

While all the strategies are technically feasible and have been implemented in other Washington settings, they are distinguished by differing levels of community support, complexity of implementation, implementation timing, and disruption to the organization relative to the financial return. Strategies deemed most feasible are solutions that can be implemented more readily and would be least disruptive to the organization.

Certain revenue changes such as tax measures require voter approval to implement and vary in terms of complexity and community support. Some have a greater impact on voters (e.g., local property tax levy lid lift measures, utility users' taxes) while others have more of an impact on those from outside the city (e.g., sales taxes).

Increasing fees and charges to full cost recovery may help the City's structural deficit but may have adverse impacts on community participation in those services. Voters are more likely to support measures when they know their tax dollars are being spent efficiently, requiring City staff to review cost efficiencies prior to taking those measures to voters. These factors require careful consideration in determining the feasibility of revenue enhancements.

Changes that would be disruptive to the organization will take time because the impacts may be the subject of mandatory bargaining with the City's labor groups. Substantial changes in service delivery methodologies or employee benefit programs should also be weighed against the reality that they might result in ongoing employee relations issues, which can impair more incremental change. Key decisions will need to be made in the next 12 months in order to address the fiscal challenges faced by the City.

The strategies identified in this memorandum have been quantified to the extent possible, based on current information available to Management Partners and City staff. In many cases, they have been programmed into the fiscal model so City leaders can explore the cumulative impact of implementing any package of actions.

Based on these considerations, budget strategies were evaluated considering the set of factors that may weigh on difficulty of implementation as indicated in Table 7 below.



Table 7. Factors Used in Assessing Implementation Difficulty

Factors	Minimal Difficulty	Moderate Difficulty	High Difficulty
Potential for community pushback	High	Medium	Low
Technical and operational difficulties of implementation	High	Medium	Low
Timing necessary for implementation	Timely implementation is moderately to highly probable to meet timing required to resolve the structural deficit	Timely implementation is possible, but less than moderately probable	Timely implementation is unlikely to meet the timing required to resolve the structural deficit
Disruptive impact on service delivery	Low	Medium	High
Disruptive impact within City organization	Low	Medium	High

After factoring implementation difficulty, this is then compared with the potential annual fiscal impact that the City would experience if the strategy were implemented. We stratified fiscal impact into three tiers:

- **Low fiscal impact.** Strategies that would have a fiscal impact of \$100,000 or less per year
- **Moderate fiscal impact.** Strategies that would have a fiscal impact between \$100,000 and \$250,000 per year
- **High fiscal impact.** Strategies that would have a fiscal impact of over \$250,000 per year

Combining implementation difficulty and fiscal impact, we identify those strategies that have the highest degree of potential success to provide fiscal sustainability to the City in accordance with Figure 1 presented below.



Figure 1. Budget Strategies Quadrant Analysis

		<b>Potential Annual Fiscal Impact (est)</b>		
		\$0-\$100,000	\$100,000-\$250,000	Over \$250,000
<b>Difficulty of Implementation</b>	Minimal difficulty	1	2	3
	Moderate difficulty	4	5	6
	Significant difficulty	7	8	9

<b>Great potential of success:</b> High fiscal impact; minimal difficulty	<b>Good potential of success:</b> Medium/High fiscal impact; Minimal to moderate difficulty	<b>Moderate potential of success:</b> Medium/high fiscal impact; Moderate to significant difficulty	<b>Low potential of success:</b> Low fiscal impact; Moderate to significant difficulty	<b>Little/no potential of success:</b> Low fiscal impact; Significant difficulty
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### Strategies Considered

Following meetings with City Councilmembers and City staff, Management Partners conducted an independent analysis of strategies that would be appropriate for consideration in Mercer Island. Our experience in working with municipalities across the United States coupled with our research of viable options exercised by other cities in Washington state, led to identifying a set of strategies that could lead toward fiscal sustainability. The ultimate strategies selected for consideration were those with either great, good or moderate potential of success as indicated above.

Table 8 captures the first tier of strategies that have the greatest potential of success.

Table 8. Great Potential of Success

Great Potential of Success	Strategies
<b>Expenditure Controls and Cost Shifts</b>	None
<b>Service Delivery Changes</b>	None
<b>Revenue Enhancement</b>	11. Renew the existing Parks M&O levy lid lift 12. Increase the business and occupations tax
<b>Service Reductions and Eliminations</b>	None



City leaders will need to seriously consider implementing some or all these strategies. Renewal of the Parks maintenance and operations (M&O) levy lid lift could happen at any time but needs to take place before it expires at the end of 2023.

The next level of strategies, those with a good potential of success, shown in Table 9 are considered moderately feasible to implement. Generally, these strategies may take more time to successfully implement and/or be more disruptive to the City organization or community residents via service delivery impacts. City leaders will have to consider some of these strategies as their fiscal impact is considered significant, but the extent to which these will need to be fully implemented will depend on the level of success with those strategies with the greatest potential of success shown in Table 8 above. City staff will need to begin work on some of these strategies for two reasons: 1) those strategies with the greatest potential of success in total will not resolve the fiscal gap, and 2) they are needed as a fallback in case revenue strategies dependent on an election outcome are unsuccessful.

*Table 9. Good Potential of Success*

Tier 2	Strategies
<b>Expenditure Controls and Cost Shifts</b>	None
<b>Service Delivery Changes</b>	None
<b>Revenue Enhancement</b>	10. Implement a levy lid lift as a specific purpose tax 13. Increase utility users tax rates on City-owned utilities (water, sewer, stormwater) 16. Increase fees and charges to establish cost recovery standards at/near full cost recovery
<b>Service Reductions and Eliminations</b>	22. Reduce law enforcement specialized services

Strategies with a moderate potential of success are shown in Table 10. Several of these strategies fall into this category because of the implementation difficulty primarily due to either the potential for community pushback or disruptive impacts on service delivery. The strategies under expenditure controls and cost shifts do not yield as significant a fiscal impact as those related to service delivery changes or revenue enhancements in this category.

The revenue enhancement with the single greatest potential for fiscal impact, an increase in the levy lid lift, is in this category given the pushback from the community from the results of Proposition 1 in 2018. City leaders will need to address the potential for additional expenditure controls and service delivery changes, identify service level reductions that would otherwise need to be implemented, and engage the community about choices in advance of bringing forward another levy lid lift measure.



Table 10. Moderate Potential of Success

Tier 3	Strategies
<b>Expenditure Controls and Cost Shifts</b>	2. Renegotiate maintenance agreements with MISD for ball fields and pool maintenance
<b>Service Delivery Changes</b>	3. Contract for police services with King County Sheriff's Office 5. Change one fire engine to EMS apparatus and staff EMS drivers with non-sworn employees 6. Develop shared services model for fire services 7. Create a metropolitan park district as a funding tool for parks and recreation operations and maintenance 8. Establish new fire protection district for fire services and transfer fire services to the new district.
<b>Revenue Enhancement</b>	9. Implement a levy lid lift as a general tax increase 14. Implement the sustainability (administrative) fee in the solid waste contract
<b>Service Reductions and Eliminations</b>	18. Implement General Fund services and staffing reductions 19. Eliminate/brown-out one fire station 20. Reduce parks landscape maintenance and irrigation 21. Eliminate or reduce marine patrol services

The final tier of strategies, those with low or little/no potential of success, are considered the least feasible to implement in the City's current economic, political and operational environment. These are presented in Table 11. Generally, these strategies have either proven difficult to implement in similar settings or would have a negative impact in the long term on the organization and community. To the extent the City is unable to generate enough revenue increases or expenditure reductions from other strategies, these more difficult options for maintaining solvency might need to be explored.

Table 11. Low or Little/No Potential of Success

Tier 3	Strategies
<b>Expenditure Controls and Cost Shifts</b>	1. Reduce vacation benefits
<b>Service Delivery Changes</b>	4. Contract operation of the Mercer Island Community and Event Center
<b>Revenue Enhancement</b>	15. Increase utility users taxes on solid waste services
<b>Service Reductions and Eliminations</b>	17. Take no action

One strategy included for discussion purposes is taking no action. This is realistically not a viable option, because it would result in a condition of insolvency. The overwhelming majority of General Fund expenditures support personnel costs. When such a circumstance becomes imminent, the only thing a city can do is leave positions vacant when employees retire or separate from employment (sometimes called a hard hiring freeze), and/or lay off employees to reduce costs and maintain solvency. This will have catastrophic impacts on the City's ability to



serve the community. In extreme circumstances, a jurisdiction could be forced to consider or even file for bankruptcy protection. Filing for bankruptcy protection is an unusual circumstance in Washington, most recently experienced by the Kennewick Public Hospital District in 2017. There are no known situations in Washington where a city or county has filed for bankruptcy protection, but this has been experienced in other states such as California, Idaho, Michigan, Alabama and Pennsylvania.

### **Staff Recommended Budget Strategies Approved by City Council**

The approved FY 2019-2020 adopted biennial budget included nearly \$1.4 million in General Fund service level reductions (see Appendix 1). During this project, the City Council requested that the City Manager provide a list of additional recommended budget strategies to them for consideration for the FY 2019 and 2020 budget years. The goal was for staff to reduce the amount of one-time resources used to balance the 2019-2020 General Fund and Youth and Family Services Fund budget by \$1.2 million through expenditure reductions and revenue enhancements, excluding any tax increases.

Staff presented an initial draft of recommended strategies to the City Council at its planning session on February 2, 2019. This list, which was updated, reviewed and unanimously approved by Council on April 2, 2019, had expenditure savings and revenue enhancements totaling \$1.34 million for the biennium. The annual ongoing fiscal impact to the General Fund starting in 2020 is to reduce the fiscal gap by \$913,000.

The staff recommended strategies are shown in Appendix 2. The most significant items in that list that have ongoing fiscal impact to the General Fund are shown below:

- Eliminating pay-for-performance program in 2020 (\$314,000 in cost savings)
- Eliminating General Fund support of Youth and Family Services by 2020 (\$309,000 in cost savings)
- Eliminating Summer Celebration in 2019, including parks maintenance overtime support (\$92,000 in cost savings)
- Eliminating one help desk technician in Information and Geographic Services (IGS) in 2019 (\$79,000 in cost savings)
- Increasing land use fees to 80% cost recovery in 2019 (\$60,000 in revenue enhancements)
- Reorganizing the IGS Department as a division in the Finance Department in 2019 and reclassifying the IGS director to information services manager (\$47,000 in cost savings in 2019, and \$39,000 in cost savings in 2020)
- Eliminating the community center reservations specialist position in 2019 (\$46,000 in cost savings)
- Eliminating special events overtime in the Police Department in 2019 (\$30,000 in cost savings)
- Adding back one deputy fire chief in 2020 that was eliminated in the approved budget (\$215,000 in cost increases)



The staff-recommended strategies were not separately analyzed by Management Partners. We reviewed those strategies with staff and determined that the fiscal impact estimates are reasonable for purposes of incorporating into the revised fiscal forecast, as discussed below.

## **Other Strategies Identified**

Additional strategies were identified during our analysis that were either deemed to provide little or no significant impact (i.e., less than \$50,000 annually) to solving the General Fund's structural deficit or were otherwise determined to be infeasible given the City's current operating environment. Those items are identified in Attachment B to this report, with a brief description of each item and why those strategies were not analyzed further in greater detail.

This is not to say that these strategies could not be studied by the City, but rather that in our opinion the opportunities to address the City's fiscal gap in a timely manner would not be significant or might otherwise erode service delivery to an unacceptable level. For those items where current revenue or expenditure estimates were readily available, the potential savings to the General Fund for all the ideas combined may approach \$500,000 annually. However, given the magnitude of the structural deficit that grows to \$4.8 million by 2024, our efforts were focused on other strategies that would yield greater potential impacts toward fiscal sustainability of the City's General Fund.

## **Budget Strategy Scenarios**

### ***Baseline Scenario***

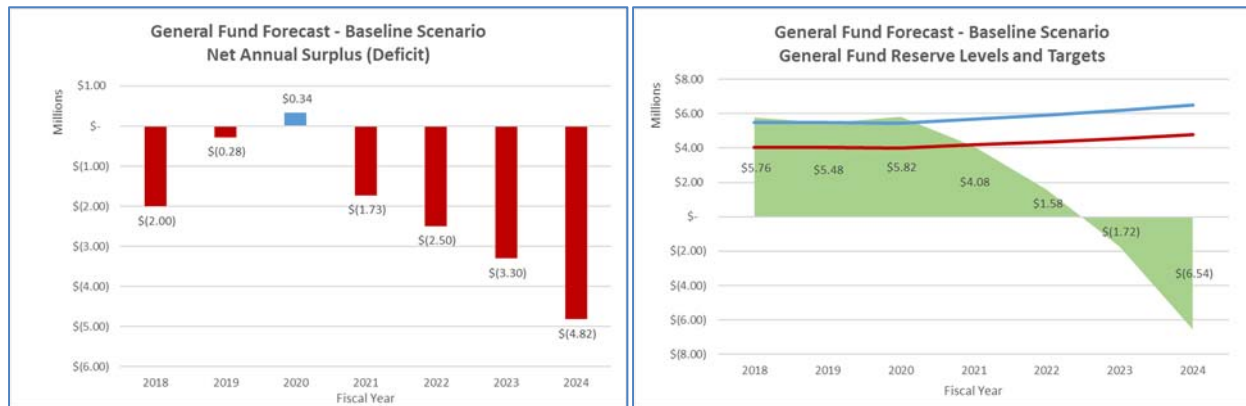
The baseline fiscal model was updated to incorporate the staff recommended FY 2019-2020 budget strategies that the City Council approved for implementation on April 2, 2019. The model now indicates that the General Fund is balanced through FY 2020, but that the annual deficit will increase from \$1.7 million in FY 2021 to \$4.8 million in FY 2024. The largest driver of the increasing structural gap is the fact that expenditure growth is projected to outpace revenue growth. Property taxes, the single largest revenue source for the General Fund, can only grow by Council action at 1% per year plus the impact of new construction on the total tax levy which equates on average to an additional 1% per year.

Personnel costs are the largest expenditure category in the General Fund. Police and fire personnel are subject to meet and confer provisions, and can invoke binding interest arbitration per the provisions of RCW 41.56.450-470. This provision indicates that the arbitration panel must consider its decision based, in part, on "the average consumer prices for goods and services (cost of living)" and "comparison of wages, hours and conditions of employment ... of like employers of similar size on the west coast of the United States." This is a significant driver in the spread between the growth of expenditures (projected based on a conservative cost of living factor of 3%) and the 2% annual growth in property tax revenues.



The City has established a target reserve policy for its General Fund of maintaining undesignated reserves of not less than 12.5% of annual budgeted operating expenditures. The Government Finance Officers' Association (GFOA) has recommended that municipalities establish minimum reserve policies for General Funds of not less than two months, or 17%, of annual operating expenditures, considered by many to be a best practice. If Council takes no action, the model projects that General Fund reserves will not only fall below the City's reserve policy of 12.5% by FY 2021, but they will fall below zero in FY 2023, as shown in Figure 2.

Figure 2. Historical and Projected General Fund Surplus/Shortfall and Reserves – Baseline Scenario



### Development of Three Budget Scenarios

Management Partners has prepared three scenarios for Council's consideration that address this fiscal gap. Each of the scenarios would allow the General Fund to maintain an appropriate level of reserves, eliminate the structural deficit by 2024, and ensure the viability of the City's operations throughout the period included in the fiscal model.

The three budget scenarios described in this report are provided as examples of the types of strategies that Councilmembers could consider to address the long-term fiscal gap. They could choose any of these scenarios or develop alternative scenarios that include varying types of strategies to resolve the fiscal gap. The three scenarios included in this report employ different strategies and make assumptions with respect to the timing of implementing each strategy. Table 12 summarizes these three scenarios.





Table 12. Budget Strategy Scenarios

Scenario	Description
Baseline Scenario Before Budget Corrections	<ul style="list-style-type: none"> <li>• Shortfall of \$4.8 million that would likely continue to grow beyond 2024</li> <li>• Depleted reserves by FY 2023</li> <li>• Assumes Parks M&amp;O levy lid lift expires at the end of 2023 and is not renewed</li> <li>• Current staffing levels</li> </ul>
Scenario 1 – Strong Revenue Enhancement Strategies	<ul style="list-style-type: none"> <li>• Implement staff recommended deficit spending reductions approved by City Council in April 2019</li> <li>• Renew Parks M&amp;O levy lid lift by the end of 2023</li> <li>• Implement a general purpose levy lid lift of 7.5% in 2021, with a 5% increase in each subsequent year through 2024</li> <li>• Increase UUT rate on City-owned utilities to 8% in 2022</li> <li>• Increase B&amp;O tax from 0.10% to 0.15% in 2023</li> <li>• Increase building/planning user fees to full cost recovery by 2023</li> <li>• Implement additional <b>ongoing</b> General Fund expenditure reductions or other revenue enhancements totaling \$400,000 in 2024</li> </ul>
Scenario 2 – Balanced Approach-- Moderate Revenues; Service Delivery Changes and Minor Service Level Reductions	<ul style="list-style-type: none"> <li>• Implement staff recommended deficit spending reductions approved by City Council in April 2019</li> <li>• Renew Parks M&amp;O levy lid lift by the end of 2023</li> <li>• Implement a general purpose levy lid lift of 5% in 2021, with a 2% increase in each subsequent year through 2024</li> <li>• Increase UUT rate on City-owned utilities to 8% in 2022</li> <li>• Increase building/planning user fees to full cost recovery by 2020</li> <li>• Change one fire engine to EMS apparatus and staff with non-sworn personnel by 2022</li> <li>• Implement shared services model for fire services by 2023</li> <li>• Contract police services with KCSO by 2023</li> <li>• Implement additional <b>ongoing</b> General Fund expenditure reductions or other revenue enhancements totaling \$475,000 in 2024</li> </ul>
Scenario 3 – Strong Operating Expenditure and Service Level Reductions; Parks M&O Measure Renewed	<ul style="list-style-type: none"> <li>• Implement staff recommended deficit spending reductions approved by City Council in April 2019</li> <li>• Renew Parks M&amp;O levy lid lift by 2024</li> <li>• Reduce parks landscaping in 2020</li> <li>• Eliminate one fire station by 2022</li> <li>• Reduce law enforcement specialized services by 2022</li> <li>• Implement additional <b>ongoing</b> General Fund expenditure reductions totaling \$1.1 million 2023, and an additional \$600,000 in 2024</li> </ul>



***Budget Scenario 1. Strong Revenue Enhancement Strategies***

Scenario 1 includes the following budget strategies to resolve the fiscal gap. They are centered primarily around revenue enhancements.

- **Staff-Recommended Strategies.** Implement all staff-recommended deficit spending reductions that were approved by City Council in April 2019.
- **Property Tax Levy Lid Lift.** Increase the existing levy by 7.5% in 2021, including a 5% growth factor in future years at least through 2024. This would require majority voter approval in the November 2020 election.
- **Utility Users Tax on City Owned Utilities.** Increase the UUT rate for water, sewer and stormwater utilities from 5.3% to 8% effective January 1, 2022. This can be performed by City Council action, but may require the provision of a referendum in the ordinance revision.
- **Business and Occupation Tax.** Increase the B&O tax from 0.10% to 0.15% effective January 1, 2023. This can be implemented through City Council action amending the existing ordinance.
- **Building/Planning User Fees.** Increase fees for building and planning service to achieve at or near full cost recovery by January 1, 2023. This can be implemented through City Council resolution.
- **Parks M&O Levy Lid Lift.** Renew the existing Parks M&O levy lid lift prior to its expiration at the end of 2023. This would require majority voter approval no later than the November 2023 election.
- **Other General Fund Expenditure Reductions/Revenue Enhancements.** Implement ongoing expenditure reductions or revenue enhancements totaling \$400,000 by 2024. To accomplish this the City can consider implementing some of the more minor impact strategies contained in Attachment B, as they would cumulatively be significant. In addition, the City can consider undertaking strategies which were deemed to be undesirable in terms of community impacts. On the revenue side the City may have to consider adjusting user fees such as recreation fees to fully cover costs, and pursuing other revenue raising options that may become available under State law. Finally, to the extent required, the City can begin holding some positions vacant or even eliminating the positions as attrition occurs (a soft hiring freeze).

Implementing these strategies will eliminate all annual budget shortfalls by FY 2022 and maintain reserves at or above the targeted 12.5% of annual operating expenditures through FY 2024. These trends are shown in Figure 3.



Figure 3. Projected General Fund Surplus/Shortfall and Reserves – Budget Scenario 1



### ***Budget Scenario 2. Balanced Approach – Moderate Revenues; Service Delivery Changes and Minor Service Level Reductions***

Scenario 2 includes budget strategies below to resolve the fiscal gap. They take a balanced approach between revenue enhancements and expenditure reductions, attempting to maintain service levels by implementing service delivery changes that provide similar service levels at reduced costs. A moderate amount of other expenditure reductions would be necessary to close the structural gap by 2024.

- **Staff-Recommended Strategies.** Implement all staff-recommended deficit spending reductions that were approved by City Council in April 2019.
- **Property Tax Levy Lid Lift.** Increase the existing levy by 5% in 2021, including a 2% growth factor in future years at least through 2024. This would require majority voter approval in the November 2020 election.
- **Building/Planning User Fees.** Increase fees for building and planning service to achieve at or near full cost recovery by January 1, 2021. This can be implemented through City Council resolution.
- **Utility Users Tax on City Owned Utilities.** Increase the UUT rate for water, sewer and stormwater utilities from 5.3% to 8% effective January 1, 2022. This can be performed by City Council action, but may require the provision of a referendum in the ordinance revision.
- **Parks M&O Levy Lid Lift.** Renew the existing Parks M&O levy lid lift in 2024. This would require majority voter approval no later than the November 2023 election.
- **Fire EMS Apparatus.** Change one fire engine to an EMS apparatus (ambulance) and replace one of the firefighters on the apparatus for each shift with one non-sworn EMT technician by 2022.
- **Fire Shared Services Model.** Implement a shared services model for fire services, incorporating changes to the EMS apparatus service delivery, by 2023.
- **Contracted Police Services.** Contract police services with KCSO by 2023, maintaining marine patrol services as a service delivery component.



- Other General Fund Expenditure Reductions/Revenue Enhancements.** Implement ongoing expenditure reductions or revenue enhancements totaling \$475,000 by 2024. To accomplish this the City can consider implementing some of the more minor impact strategies contained in Attachment B, as they would cumulatively be significant. In addition, the City can consider undertaking strategies which were deemed to be undesirable in terms of community impacts. On the revenue side the City may have to consider adjusting user fees such as recreation fees to fully cover costs, and pursuing other revenue raising options that may become available under State law. Finally, to the extent required, the City can begin holding some positions vacant or even eliminating the positions as attrition occurs (a soft hiring freeze).

Implementing these strategies will result in an annual budget shortfall of \$900,000 in FY 2021, but will eliminate the structural gap by FY 2022 and maintain reserves just above the targeted 12.5% of annual operating expenditures through FY 2024. These trends are shown in Figure 4.

Figure 4. Projected General Fund Surplus/Shortfall and Reserves – Budget Scenario 2



**Budget Scenario 3. Strong Operating Expenditure and Service Level Reductions; Parks M&O Measure Renewed**

Scenario 3 would have the most significant negative impact on City services. It assumes that most revenue enhancement strategies are not able to be implemented, thus requiring significant cuts to General Fund operations.

- Staff-Recommended Strategies.** Implement all staff-recommended deficit spending reductions that were approved by City Council in April 2019.
- Parks M&O Levy Lid Lift.** Renew the existing Parks M&O levy lid lift in 2024. This would require majority voter approval no later than the November 2023 election.
- Parks Landscaping.** Reduce parks landscaping and beautification efforts sufficient to eliminate \$100,000 of expenditures by 2020.
- Fire Station Elimination.** Eliminate staffing in one fire station, likely Station 92, by 2022.



- **Law Enforcement Specialized Services.** Reduce General Fund subsidy totaling \$450,000 of law enforcement specialized services in the areas of investigations, school resource officer, special programs, special teams, and emergency preparedness planning by 2022.
- **Other General Fund Expenditure Reductions/Revenue Enhancements.** Implement ongoing expenditure reductions or revenue enhancements totaling \$1.1 million starting in 2023, and an additional \$600,000 (cumulative \$1.7 million) by 2024. To accomplish this the City can consider implementing some of the more minor impact strategies contained in Attachment B, as they would cumulatively be significant. In addition, the City can consider undertaking strategies which were deemed to be undesirable in terms of community impacts. On the revenue side the City may have to consider adjusting user fees such as recreation fees to fully cover costs, and pursuing other revenue raising options that may become available under State law. Finally, to the extent required, the City can begin holding some positions vacant or even eliminating the positions as attrition occurs (a soft hiring freeze). Further service level reductions would be necessary, as discussed in Budget Strategy 18.

Implementing these strategies will bridge the fiscal gap and maintain reserves at 12.5% of annual operating expenditures by FY 2024. This strategy, however, will have the greatest potential of needing additional expenditure reductions beyond FY 2024 given the long-term imbalance between revenue and expenditure growth trends, as illustrated in Figure 5.

Figure 5. Projected General Fund Surplus/Shortfall and Reserves – Budget Scenario 3



## Attachment A – Detailed Strategies

### EXPENDITURE CONTROLS/COST SHIFTS

#### 1. Reduce vacation benefits, including implementing a “use it or lose it policy” to eliminate the liability

**STRATEGY TYPE:** Expenditure Controls/Cost Shifts

#### IMPACT ESTIMATE

Total annual accrued compensated absences has an estimated value of \$1.4 million, of which the General Fund component is approximately \$1 million. If the accrual rate was reduced by 10% through a “use it or lose it” policy, ongoing annual savings achieved could equate to about 0.5% of payroll, or approximately \$120,000.

#### FEASIBILITY

Among peer agencies researched, no other agency has implemented a “use it or lose it” policy for vacation leaves. The policy would require negotiations with labor groups. Competitiveness for recruiting and retaining skilled employees would be impacted. It is possible that an impasse would be reached with police and fire bargaining units, which are subject to interest arbitration that factors in comparability with “like employers of similar size” on the west coast. A staff-conducted paid leave accrual analysis indicated that Mercer Island’s accrual rates were in the bottom quartile for other comparable agencies. Since police and fire personnel make up about 43% of the General Fund personnel costs, this would severely limit the fiscal reduction opportunity.

Factor	Difficulty Level
Potential for community pushback	Minimal
Technical and operational difficulties of implementation	Significant
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Significant
Disruptive impact within City organization	Significant
<b>Overall difficulty for Implementation</b>	<b>Significant</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Moderate</b>
<b>Potential of Success</b>	<b>Low</b>



**BACKGROUND/ANALYSIS**

The City’s employees receive paid leave as part of their benefits package. Vacation leave is compensable to the employee upon separation of employment after six months of service and may also be cashed as indicated in Table 13. The other paid leaves (e.g., sick, bereavement, jury duty, etc) are not compensable. Vacation leave is earned based on years of service as indicated in Table 13.

*Table 13. Annual vacation leave accrual rates and cash-out provisions under current labor contracts*

Years of Service	AFSCME	Fire	Police Support	Police	Years of Service	Unrepresented
<b>6 months</b>	48 hours (lump sum)					
<b>Up to 5 years</b>	96 hours	120 hours	96 hours	96 hours	<b>Up to 4 years</b>	96 hours
<b>6 to 10 years</b>	120 hours	168 hours	120 hours	120 hours	<b>4 to 9 years</b>	120 hours
<b>11 to 15 years</b>	144 hours	198 hours	144 hours	144 hours	<b>9 to 14 years</b>	144 hours
<b>16 to 19 years</b>	168 hours	222 hours	168 hours	168 hours	<b>14 years and thereafter</b>	168 hours
<b>20 years and thereafter</b>	192 hours	264 hours	192 hours	192 hours		
<b>Annual cash-out provisions during employment</b>	Annual cash out of up to 40 hours after five years of service, and up to 100 hours after 10 years of service	No cash out provision	Excess accrual beyond 80 hours for employees up to 10 years of service, and 120 hours for employees greater than 10 years of service	Annual cash out of up to 40 hours of accrued vacation leave.	<b>Annual cash-out provisions during employment</b>	Annual cash out of up to 24 hours of vacation leave for employees with greater than three years of service. Annual cash out of up to 40 hours of accrued vacation leave for employees with more than 10 years of employment.

*Note: Maximum payout upon separation of employment is 280 hours for fire employees and 240 hours for police employees*

Implementing a “use it or lose it” policy would eliminate the payout upon separation of employment and would incent employees to take time off during the year. However, such a policy is rare in local government and could create competitive pressures when recruiting employees to fill vacant positions.

Some employers will negotiate reduced vacation benefits with employees as a method of cost reduction, which reduces the overall liability for the city and the incremental costs associated with mandated coverage such as in the case of police and fire. Reduction in vacation accrual does not have a dollar for dollar reduction in annual expenditures, however. In our experience, a 10% reduction in vacation leave may yield a 2% to 3% savings in costs associated with the reduction. Reducing the accrual amount would reduce exposure for annual cash out provisions as is the case with AFSCME and Police employees. However, the state rules surrounding



binding interest arbitration for police and fire employees would make this difficult for the City to implement given that no known agencies in Washington have implemented this.

Table 14 below presents compensated absence accruals and paid holidays among those agencies to which the City compares itself for compensation and benefits analysis. Mercer Island's compensate absence benefits are within the normal benefit levels provided by other cities but is among the lowest for the highest level of vacation accrual.

*Table 14. Compensated Absences Accrual Rates Among Comparable Agencies – 2019*

City	Annual Vacation Leave	Annual Sick Leave	Annual Paid Holidays
<b>Auburn</b>	12 to 26 days max 384 hrs - eligible for cash out	12 days max 960 hrs - eligible for 100% cash out	12 days no cash out
<b>Bothell</b>	12 to 22 days max 354 hrs - eligible for cash out	12 days max 960 hrs - eligible for 20% cash out	12 days no cash out
<b>Edmonds</b>	12 to 27 days max 354 hrs - eligible for cash out	12 days max 1,000 hrs - eligible for 200 hr cash out	11 days no cash out
<b>Issaquah</b>	12 to 24 days max 436 hrs - eligible for cash out	12 days max 1,280 hrs - eligible for 50% cash out	11 days no cash out
<b>Kirkland</b>	12 to 24 days max 382 hrs - eligible for cash out	12 days max 960 hrs - eligible for 144 hr cash out	11 days no cash out
<b>Lynnwood</b>	12 to 22 days max 280 hrs - eligible for cash out	12 days max 960 hrs - eligible for 144 hr cash out	11 days no cash out
<b>Mercer Island</b>	<b>12 to 21 days</b> <b>max 240 hrs - eligible for cash out</b>	<b>12 days</b> <b>max 720 hrs - no cash out</b>	<b>11 days</b> <b>no cash out</b>
<b>Redmond</b>	12 to 23 days no max - eligible for cash out	12 days max 960 hrs - eligible for 50% cash out	12 days no cash out
<b>Sammamish</b>	12 to 22 days max 280 hrs - eligible for cash out	12 days max 960 hrs - eligible for 50% cash out	12 days no cash out
<b>SeaTac</b>	12 to 23 days max 448 hrs - eligible for cash out	12 days max 960 hrs - eligible for 50% cash out	11 days no cash out
<b>Shoreline</b>	12 to 24 days max 240 hrs - eligible for cash out	12 days max 960 hrs - eligible for 20% cash out	10 days no cash out





## 2. Renegotiate maintenance agreements with Mercer Island School District for ballfields and pool

**STRATEGY TYPE:** Service Delivery Change

### IMPACT ESTIMATE

The City currently subsidizes the Mercer Island School District (MISD) swimming pool (Mary Wayte Pool) in the amount of approximately \$140,000 annually, which could be avoided through a renegotiated agreement. However, such relief would not likely be able to occur until 2024 when the existing interlocal agreement expires.

The City and MISD share use of athletic facilities through an interlocal agreement. The cost of maintenance for the shared facilities falls primarily on the City and is estimated at close to \$200,000 annually. These costs could be avoided recovered a renegotiated agreement.

### FEASIBILITY

The most significant barrier to being able to recoup the actual costs of maintaining the pool and ballfields is MISD’s ability to pay. The City could choose to terminate its maintenance responsibilities with MISD and shift maintenance responsibilities for school properties back to MISD. The City could also begin charging MISD the established rental rates for school use on City-owned ball fields and other athletic facilities.

Factor	Difficulty Level
Potential for community pushback	Significant
Technical and operational difficulties of implementation	Minimal
Timing necessary for implementation	Significant
Disruptive impact on service delivery	Significant
Disruptive impact within City organization	Minimal
<b>Overall difficulty for Implementation</b>	<b>Moderate</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Moderate</b>

### BACKGROUND/ANALYSIS

The City’s Parks and Recreation Department administers more than 200 recreation programs each year and with a \$2.6 million annual budget maintains almost 500 acres of parks, 30 miles of trails, as well as the 42,000 square foot Mercer Island Community and Events Center. Among the recreation programs administered by Parks and Recreation are the use of the ballfields owned by both MISD and the City, and scheduling services for both City-owned and selected District-owned ballfields.



Parks and Recreation staff indicated they are commencing a parks maintenance operational assessment that will help identify potential efficiencies and cost saving opportunities. The study will provide more clarity on the cost of maintenance services and the resulting level of subsidy for related programming. Although this in-depth study is not yet completed, staff believes the City is not receiving full cost recovery for the maintenance efforts it provides for ballfields used for MISD athletic programs.

For example, the City owns a field that the High School baseball team uses as their home field, but the City use collects a modest administrative fee for this use. The maintenance costs for this facility are the full responsibility of the City. In this example, it is also important to note that during high school baseball season, these fields are generally not available for other uses, thereby further limiting potential rental revenue.

Overall, staff indicated that revenues received from the District under the existing agreement likely fall short of full cost recovery in an amount close to \$200,000 annually. They believe they could potentially receive this amount of revenue if these facilities were rented to non-school interests. A more refined estimate will not be available until the operational assessment is completed.

Similarly, for use of the MISD pool (the only publicly available pool in the city limits), the City currently provides a direct subsidy for its maintenance in the amount of another \$140,000 annually, even though the City does not use the pool for its programs. The interlocal agreement for maintenance of the pool expires in 2024.

One of the Parks and Recreation Department's "Key Initiatives" for 2019-2020 is to *"Review the rental fee structure for athletic fields, picnic shelters, and general park reservations. Ensure a fiscally sustainable approach and competitive pricing within the market."* This review, which as mentioned previously is underway, should include the agreements with MISD in order to move the cost recovery percentage to, or at least closer to, full cost recovery.



## SERVICE DELIVERY CHANGES

### 3. Contract for Police Services with King County Sheriff

**STRATEGY TYPE:** Service Delivery Change

#### IMPACT ESTIMATE

The impact is difficult to quantify as discussions with King County Sheriff's Office (KCSO) would need to take place that incorporate all law enforcement services and their ability to serve Mercer Island. A budget comparison performed in 2017 by KCSO on all police agencies in King County indicated an average annual cost per capita for standalone police departments to be \$354. Current average annual cost per capita for agencies that contract with KCSO is \$238. Mercer Island's current total police departments costs is approximately \$293 per capita. Excluding Marine Patrol and Emergency Management services, the cost per capita is \$264.

If Mercer Island targeted a service cost delivery based on the average of the partner agencies that contract with KCSO, annual savings would be approximately \$700,000 (this assumes that Mercer Island retains marine patrol services and emergency management) and would likely result in a reduction in total number of sworn police positions.

#### FEASIBILITY

Sixteen cities in King County have successfully contracted with KCSO. The City's interlocal agreements with Bellevue (which provides reciprocal in-kind services for marine patrol and special law enforcement services) and Renton (Mercer Island provides contract marine patrol services for a fee) would require renegotiation.

Public perception is often a barrier to a shared services model as the public typically perceives that loss of local control will degrade services. Agencies with successful shared service models articulate clear service level performance requirements, ongoing performance reporting, and cost implications for failing to meet performance standards, which help mitigate loss of service. Sharing services would require meet and confer discussions with represented employees and negotiations with KCSO. It is not uncommon for such agreements to require that city personnel be retained by the new agency for a set period (often one to three years, subject to performance).



Factor	Difficulty Level
Potential for community pushback	Significant
Technical and operational difficulties of implementation	Significant
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Moderate
Disruptive impact within City organization	Significant
<b>Overall difficulty for Implementation</b>	<b>Significant</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Moderate</b>

### BACKGROUND/ANALYSIS

Since the Great Recession of 2007, several cities throughout the nation have explored shared services models for police services. For those agencies that have moved forward with a shared services model, they often find that the costs of providing services can be lower than if they provided those services themselves. Typical cost savings come from redundancies in management positions, technology and fleet investments, and economies of scale in the areas of public safety dispatch, records management, and specialized law enforcement services such as investigations, SWAT and emergency management. Smaller agencies with lower compensation and benefits, however, may not derive significant savings if they partner with an agency that provides much higher compensation packages to their employees and service levels are expected to be maintained with the same number of patrol officers.

Table 15 includes the 2019 police budget for each of the contracted partner agencies and the cost per capita for total police services. The weighted average cost for the partner agencies is \$238 per capita per year. This is approximately 19% lower than Mercer Island's existing total cost per capita for its standalone police department, and 10% lower if the costs for Marine Patrol and Emergency Management are excluded. The budget data shown in the table below does not consider service levels of each agency, it merely compares the total cost of each city's police services.



*Table 15. King County Sheriff's Office Contracted Partner Agencies Cost per Capita for 2019*

City	2019 Police Budget	Population	Cost per Capita
Burien	\$13,096,100	51,671	\$253
Carnation	677,700	2,164	313
Covington	4,647,900	20,916	222
Kenmore	4,328,250	22,867	189
Maple Valley	5,599,800	25,758	217
Newcastle	5,134,850	11,681	440
Sammamish	7,629,000	64,548	118
SeaTac	12,331,000	29,140	423
Shoreline	12,672,000	56,189	226
Woodinville	4,630,100	11,997	386
Mercer Island	7,412,900	25,261	293
<b>Average cost per capita (weighted)</b>			<b>\$238</b>



## 4. Contract Operation of the Mercer Island Community and Event Center

### STRATEGY TYPE: Service Delivery Change

#### IMPACT ESTIMATE:

A 15% reduction in operating costs by contracting with a third-party operator would yield cost savings of approximately \$100,000 annually.

#### FEASIBILITY

The events, services, and facilities offered through the Community Center are very popular. Continuity of service levels would be critical in a contracted services agreement. Opportunities to partner with neighboring jurisdictions, non-profit organizations or third-party event center operators would require further exploration. Examples include the YMCA, the Boys and Girls Club, or convention center operators such as the Bellevue Convention Center Authority or Rain City Catering (that operates the Renton Pavilion Event Center). Contracting services with a third party would require meeting with AFSCME to negotiate the impacts (effects) of contracting services.

Factor	Difficulty Level
Potential for community pushback	Significant
Technical and operational difficulties of implementation	Significant
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Significant
Disruptive impact within City organization	Significant
<b>Overall difficulty for Implementation</b>	<b>Significant</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Minimal</b>
<b>Potential of Success</b>	<b>Low</b>

#### BACKGROUND/ANALYSIS

The Community Center, constructed in 2005, is a state-of-the-art facility with an open floor plan, a variety of rental rooms, flexible seating options, fitness room, dance room, catering kitchen and ample parking spaces. It is used for a variety of events including meetings, conferences, weddings, and other social events. The Event Center's operations are administered by the Parks and Recreation Department with 7.75 FTE. Its operations are included in the Parks and Recreation Department within the General Fund. Annual operating revenues based on the FY 2019 budget total \$752,000 with annual operating expenditures of \$1.38 million.

The 2019-2020 biennial budget already assumes a reduction in operating hours that is expected to yield annual savings of up to \$42,000 by FY 2020. Our experience with other agencies is that local operators may provide cost savings compared to the compensation and benefits costs of



local government employees and could render cost savings of up to 15% of existing annual operating costs.



**5. Change one fire engine to EMS apparatus and staff EMS drivers with non-sworn employees**

**STRATEGY TYPE:** Service Delivery Changes

**IMPACT ESTIMATE**

Salary and benefit savings from changing one of the two firefighter positions to a non-sworn employee in Medical Aid Units 91 and 92 would be approximately \$480,000. This is calculated based on the salary and benefit cost differential between a non-sworn Emergency Medical Technician (EMT) and a sworn firefighter.

**FEASIBILITY**

Before implementing a change like this, careful study and consideration should be given to several difficulties that would likely arise. For example, the impacts of such a change would have to be bargained with the firefighter’s bargaining unit. The new EMTs would not be able to help with fire suppression.

The City’s mutual/automatic aid partnerships could also suffer since Mercer Island would have to rely on them more for suppression responses. This could mean the City would be operating outside of the Automatic Aid Interlocal Agreement the City Council approved in 2018 that includes the fire departments within King County. Other agencies could perceive that they are subsidizing Mercer Island for fire suppression capabilities, possibly putting the mutual aid received at no charge to taxpayers at risk.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Significant
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Moderate
Disruptive impact within City organization	Significant
<b>Overall difficulty for Implementation</b>	<b>Significant</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Moderate</b>

**BACKGROUND/ANALYSIS**

The City currently deploys two Medical Aid Units (known as ambulances in the private sector), Aid Unit 91 at station 91 and Aid Unit 92 at station 92 in the south part of the island. The Fire Department currently uses a cross-staffing approach for both Aid 91 and Aid 92 with Engine 91 and Engine 92, which means that the same crew of three firefighters staff both apparatus and respond in the appropriate apparatus depending on call type.





Based on our discussion with Fire Department managers, adding EMT-only personnel to staff the medical aid units would mean engines and aid units would have to be separately staffed. EMT-only personnel are not trained in fire suppression so firefighters would have to wait to start any interior firefighting until a second crew, possibly from off island, showed up. Fire suppression units are required by law to adhere to a “two-in two-out” rule, which means a team of two firefighters cannot enter a structure until two more firefighters are on scene, fully dressed in their personal protective equipment, trained and able to rescue the interior team if necessary. This training and skill-set level is the primary reason for the large pay differential between firefighters who can also perform EMT duties and EMT-only personnel.

The salary and benefit cost differential between sworn and non-sworn positions is substantial. A more in-depth study would need to be performed if this strategy were to be given further consideration. However, even a cursory look at advertisements for EMTs in nearby communities that are currently recruiting (e.g., Kent, Lakewood, and Tacoma) shows salary amounts of \$35,000 to \$45,000, which might yield a total benefits package based on Mercer Island’s benefits of over \$60,000 annually.

The average pay and benefit cost for a firefighter in Mercer Island is approximately \$140,000, or an \$80,000 annual differential. If one of the two firefighter positions was replaced with one EMT to staff the Aid Unit in each station (91 and 92), in each Platoon (A, B, and C), the total is six EMT-only personnel. With an \$80,000 cost differential per position the total annual savings could be as high as \$480,000. In the event of leave requests or absences, sworn firefighters would be called on to fill the vacant position as performed in the current service delivery.

As noted earlier, however, there are many potential pitfalls that could result from this strategy. In addition to the likely union issues that would have to be bargained and the mutual/automatic aid agreements that could be in jeopardy, there could be internal cultural difficulties among Fire Department personnel resulting from a new classification of employees that have a lower set of skills and are paid significantly less. In addition, fewer firefighting personnel may negatively impact mutual/automatic aid agreements and may also result in a lower score from the Washington State Ratings Bureau, which is used to help set insurance rates on the island. On the other hand, some agencies that have moved to this structure find that the EMT level positions are a good training ground for those that would like to one day become fully trained firefighters.

Moving to EMT-only staff members on the Aid Units could result in a lower level of service to Mercer Island’s residents. For example, the recent snow storms on more than one occasion caused Fire Department crews to have to set up a rope rescue system with a stokes basket just to get the patient up their steep driveway and into an aid car. In a case like this, EMT-only personnel would not have the experience or expertise necessary to perform this service, which means such rescues would have likely taken longer and required mutual aid. However, the nonrecurring events such as the snow storm of 2019 would have to be weighed with the fiscal advantages of moving to an EMT-only service delivery method.



## 6. Develop a shared services model for fire services

**STRATEGY TYPE:** Service Delivery Changes

### IMPACT ESTIMATE

It is difficult to estimate cost savings from a shared services model without significant additional study and identification of potential partner agencies. However, city staff's initial analysis of contracting with the City of Bellevue for fire services shows an estimated potential savings between \$200,000 and \$300,000 per year.

### FEASIBILITY

The primary obstacles of contracting with Bellevue would be that such a change would have to be negotiated with the firefighters' union and Mercer Island would lose some level of management and cost control. Other challenges include decisions about how existing stations and apparatus would be shared and who would be responsible for future replacement costs.

In our experience, to the extent that response times were maintained and performance standards were articulated and measured on a periodic basis, the public would not notice any significant differences in service levels with a shared fire service implementation. This item is on the City's work plan to explore further and staff is in communications with the City of Bellevue for their involvement in this study.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Significant
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Significant
Disruptive impact within City organization	Significant
<b>Overall difficulty for Implementation</b>	<b>Significant</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Moderate</b>

### BACKGROUND/ANALYSIS

Shared services models in municipal fire services take on many different forms, such as joint powers authorities, merger, confederations (agencies retain their employment form but come together under an appointed board of directors from each agency), and shared management positions (elimination of duplicate chief and deputy chief positions).

For any shared service model to work effectively, geographic adjacency is a driving factor. This is especially true with regard to fire service. Bellevue would be the most likely candidate for such a shared services model. Some informal discussions have taken place in the past year



between Mercer Island and Bellevue staff about the potential for realizing savings by developing a shared fire services model between the two cities, or outsourcing Mercer Island fire services to Bellevue outright. This concept is on the City's work plan to pursue soon and staff is in communications with Bellevue to explore the idea further.

We have seen several successful shared service delivery approaches across the United States and particularly here on the west coast. Savings from this strategy would primarily come from economies of scale in management and administrative personnel, reduced overtime, and fleet maintenance reductions from the elimination of duplicate reserve fire apparatus. Based on our experience, there would very likely be little if any savings directly from the reduction of line level positions.

There is also the possibility that what started out to be a savings could end up being temporary depending on how Bellevue managed its program costs. City staff has observed some indication of this related to the City of Newcastle's history of contracting for fire services with Bellevue, only to see significant cost increases passed along to them in later years of the contract. These were due to sizeable compensation increases and, in their case, increases in facilities and equipment replacement costs that were originally unanticipated. (Newcastle does not have a standalone fire station and relies exclusively on Bellevue's nearest fire station for service delivery.)

Another factor requiring careful consideration in a shared services arrangement with Bellevue is the existing interlocal mutual aid agreement between the two cities that saves Mercer Island from having to buy and staff a ladder truck. These factors would have to be considered if this strategy is studied further.



## 7. Create a Metropolitan Park District as a funding tool for parks and recreation operations and maintenance

**STRATEGY TYPE:** Service Delivery Change

### IMPACT ESTIMATE

The degree of fiscal impact from establishing a metropolitan park district (MPD) would depend on the level of parks and recreation services ultimately transferred from the City to the new MPD. With the total Parks and Recreation maintenance budget is approximately \$2.6 million, the potential savings to the City from the formation of an MPD could approach that amount. Based on the existing assessed valuation level in Mercer Island, a property tax levy of \$0.23 per \$1,000 assessed valuation would yield the necessary funding for maintenance of existing facilities. The MPD could also fund all parks related capital projects.

### FEASIBILITY

Formation of an MPD, which would create a new property tax levy on property owners, requires a majority vote of the people. Assuming the City's existing tax levy were to remain the same, property owners would be bearing a new tax levy, albeit one that is solely dedicated to parks and recreation services. While MPDs formed in the 2000s were widely approved, in recent years about two-thirds of proposed new MPDs have been defeated by voters.

Factor	Difficulty Level
Potential for community pushback	Significant
Technical and operational difficulties of implementation	Significant
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Minimal
Disruptive impact within City organization	Significant
<b>Overall difficulty for Implementation</b>	<b>Significant</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Moderate</b>

### BACKGROUND/ANALYSIS

Metropolitan park districts are authorized by the Revised Code of Washington RCW Ch. 35.61. An MPD “may be created for the management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards, and recreational facilities.” (RCW 35.61.010) In addition, an MPD may also be formed for a limited purpose that identifies specific public parks and/or recreational facilities (such as specific swimming pools, playfields, or public parks). An MPD can be formed to manage a limited number of facilities (such as specific ballfields or parks) or the entire park system in an area.



Creation of an MPD must be submitted to the voters by resident petition or local government resolution and may be voted on at either a general or special election by simple majority vote (50% plus one). In Mercer Island's case, if the district established was wholly within City limits, the governing body may be comprised of either a minimum of five separately elected parks commissioners, or the entire City Council serving in an ex officio capacity as park commissioners through an interlocal agreement.

MPDs are funded primarily by a regular property tax levy up to \$0.75 per \$1,000 assessed value. The levy rate is approved as part of the initial ballot measure establishing the district. A total of 21 such districts have been established successfully in the state of Washington. Six of the 21 MPDs exist in King County, as detailed below.

- **Des Moines Pool MPD.** Formed in 2009 with a separately elected board to maintain and operate the existing Mt. Rainier Pool, with additional funding from the Normandy Park MPD and Highline School District.
- **Fall City MPD.** Formed in 2009 with a separately elected board to maintain, improve and acquire park and recreation facilities in the Fall City area of unincorporated King County.
- **Normandy Park MPD.** Formed in 2009 governed by the city council of Normandy Park to help fund the existing Mr. Rainier Pool within the Des Moines Pool MPD as indicated above.
- **Seattle Park District.** Formed in 2014 governed by the city council of Seattle to address a \$267 million backlog of maintenance and improvements of existing park facilities.
- **Si View Metropolitan Park District.** Formed in 2003 with a separately elected board to primarily operate the Si View Pool and Community Center, which had been closed due to King County budget cuts. The scope for the District has since expanded and they are now working in cooperation with the City of North Bend and others to provide parks and recreation services.
- **Tukwila Pool MPD.** Formed in 2011 with a separately elected board to operate the Tukwila Pool to prevent its potential closure following the recession and the City's General Fund budget gaps.

When the state legislature allowed the formation of MPDs in 2003, several districts were approved by voters in those early years and served as successful dedicated funding mechanisms for parks and recreation services. Recently, however, most ballot measures to form a MPD have not been successful. Since 2011, 7 of the 11 ballot measures (64%) failed to receive voter approval. Failed measures in King County include the city of Kirkland in 2015 which would have paid for a proposed aquatic/community center and park improvements. The measure only received 37% of the vote. Typically, measures fail primarily due to concerns that a separate MPD would place a higher tax burden on residents overall since a separate tax levy would be established for the MPD in addition to the tax base already allocated to the city.



Nevertheless, the formation of an MPD is a viable option to reduce the expenditure burden of the City for its parks and recreation facilities. From a taxpayer’s perspective, however, there is no property tax savings from forming an MPD. In fact, the property tax burden could increase because the MPD levy could fund operations, maintenance, and capital projects. The latter is currently funded primarily by real estate excise tax, with only \$252,000 from a parks levy lid lift dedicated to funding parks capital projects annually through 2023. Given that current funding for parks capital projects falls significantly short of infrastructure needs, the MPD funding tool may be a consideration to secure long-term dedicated funding for parks even if there is no relief provided to the General Fund directly.



**8. Establish a new Fire Protection District with its own taxing authority and transfer fire services to the new district**

**STRATEGY TYPE:** Service Delivery Changes

**IMPACT ESTIMATE**

If the City’s entire fire operations were transferred to a newly established Fire Protection District (FPD), budget savings would be \$5.1 million. However, it should be noted that although this transfer would reduce the City’s budget, taxpayers would not see a similar reduction in taxes paid since the FPD would have its own tax levy. In fact, from the taxpayer’s perspective the total tax burden might increase due to the new levy.

**FEASIBILITY**

There would likely be taxpayer resistance to the establishment of a new FPD due to the increase in overall tax levies. The impacts on labor agreements with represented fire employees would need to be reviewed carefully. To the extent that existing labor agreements would be maintained in the newly formed FPD, most of the concerns would be ameliorated. Impacts on mutual aid response that is part of the interlocal agreement with the city of Bellevue would need to be addressed and might require a three-way interlocal agreement between the City, Bellevue, and the newly formed FPD.

Factor	Difficulty Level
Potential for community pushback	Significant
Technical and operational difficulties of implementation	Significant
Timing necessary for implementation	Significant
Disruptive impact on service delivery	Moderate
Disruptive impact within City organization	Significant
<b>Overall difficulty for Implementation</b>	<b>Significant</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Moderate</b>

**BACKGROUND/ANALYSIS**

In 2017, new legislation created an optional method for establishing a fire district where the boundaries match a local agency. This new district would be established by a vote of the people and could be overseen by either the City Council acting as ex-officio fire commissioners of the newly formed FPD, or Council may relinquish their authority to a separately elected board of fire commissioners. We are unaware of any cities moving forward with the formation of a new FPD with boundaries coterminous with city boundaries. The City of Renton formed a new FPD in 2017, but that also consolidated existing King County Fire District #25 that served unincorporated areas adjacent to Renton.



The key benefit to the City of implementing a new FPD with boundaries coterminous with the City is financial. With the addition of a new voter-approved tax levy to support the FPD, approximately \$5.1 million General Fund dollars would be freed up for other programs.

Note that the current Fire Department budget is \$6.6 million. However, about \$1.5 million in offsetting revenues are received, so the net impact on the General Fund tax base is \$5.1 million. Though the overall tax burden would be higher, there would be the benefit to the taxpayers of a direct correlation of taxes paid to fire services and capital investments made, compared with these services being just one of many currently funded through the City's General Fund.





## REVENUE ENHANCEMENTS

### 9. Implement a Levy Lid Lift as a general tax increase

**STRATEGY TYPE:** Revenue Enhancement

#### IMPACT ESTIMATE

The City's property tax levy rate in 2019 is just over \$0.93 per \$1,000 assessed valuation and is expected to generate \$13.6 million in annual property taxes in 2019. Of this total amount, \$950,079 relates to a 15-year parks maintenance and operations levy lid lift approved by voters in November 2008, and \$682,059 relates to a nine-year fire station and fire rescue truck levy lid lift approved by voters in November 2012. The balance of \$11.9 million represents the City's regular, ongoing property tax levy. Increasing the levy through a levy lid lift ballot measure is estimated to yield the following General Fund fiscal impact (based on existing assessed valuation):

- Tax rate increase of \$0.05 per \$1,000 assessed valuation: \$632,000 increase in General Fund property tax in the first year of implementation
- Tax rate increase of \$0.10 per \$1,000 assessed valuation: \$1,264,000 increase in General Fund property tax in the first year of implementation
- Tax rate increase of \$0.15 per \$1,000 assessed valuation: \$1,896,000 increase in General Fund property tax in the first year of implementation

Additional revenues could be achieved if the levy lid lift measure also included a future levy lid lift increase amount beyond the 1% that can be implemented by Council action. Increased fiscal impact would depend on the level of the original levy lid lift and the future increases included in the measure. For example, under the levy lid lift scenario of \$0.10 per \$1,000 assessed valuation, and a 3% future increase in the levy in future years, the additional revenue generated would be approximately \$400,000 in the second year of the levy lid lift.

#### FEASIBILITY

A levy lid lift that includes future increases that match the inflationary impacts on city expenditures (most notably, increases in employee compensation and benefits) would have the single largest ongoing fiscal impact to resolve the City's General Fund fiscal gap. Increasing the property tax rate, however, is also one of the most politically sensitive ballot measures that a Washington city can bring to voters. Proposition 1 in 2018 proposed an increase of \$0.238 per \$1,000 assessed valuation with a 3% future increase through 2024. That measure was defeated by a vote of 43% in favor and 57% against. A significant amount of public engagement and education about the City's fiscal position would be required, likely coupled with cost reduction strategies to demonstrate fiscal conservatism, before such a measure might gain the necessary public support for approval.



Factor	Difficulty Level
Potential for community pushback	Significant
Technical and operational difficulties of implementation	Minimal
Timing necessary for implementation	Minimal
Disruptive impact on service delivery	Minimal
Disruptive impact within City organization	Minimal
<b>Overall difficulty for Implementation</b>	<b>Significant</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Moderate</b>

**BACKGROUND/ANALYSIS**

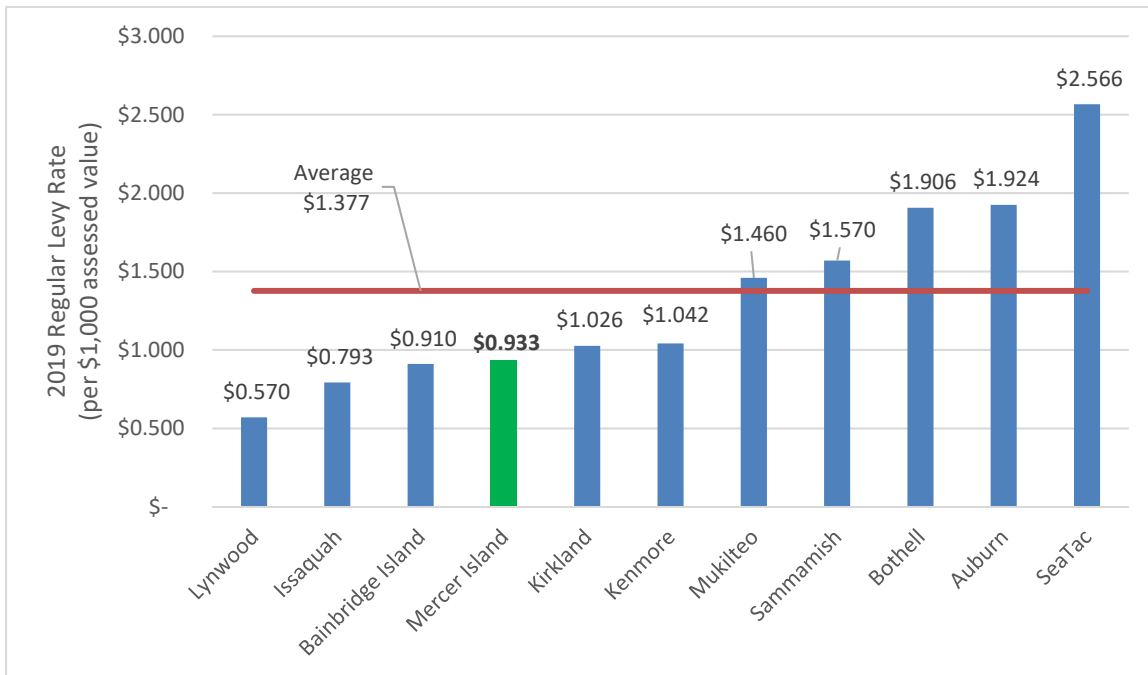
Washington state law provides the opportunity for cities to increase the annual levy on properties by not more than 1% in any one year through Council resolution, plus an allowance for new construction. Increases in any single year, or over a period of multiple years, requires a voter-approved “levy lid lift”. The amount that the levy may be raised is subject to having sufficient “banked capacity” below the maximum aggregate levy rate and the local limit established under state law. The constitutional aggregate limit is \$10 per \$1,000 assessed value for any taxing area, while the local limit is \$5.90 per \$1,000 assessed value.

Mercer Island’s maximum statutory rate is \$3.48539 per \$1,000 assessed value. The current levy rate of \$0.93285 per \$1,000 assessed value is expected to generate \$13.6 million in total property tax levy in FY 2019, of which \$11.8 million supports General Fund services. Property taxes are the single largest revenue source for the City, representing 38% of General Fund revenues in 2019. However, the projected growth in property taxes, which are subject to a 1% maximum increase by Council action not requiring voter approval, will only increase the General Fund portion of property tax revenues by \$1.2 million by FY 2024. In that same time period, given pressures to provide reasonable compensation and benefit increases for employees based on projected consumer price index increases of 3% per year, salaries and benefits are expected to grow by \$5.6 million.

Current levy rates per \$1,000 assessed value among peer agencies are presented in Figure 6 below. Mercer Island’s rate of \$0.933 is about 48%% lower than the peer average of \$1.377.



Figure 6. Property Tax Levy Rates (Regular Levy) Among Comparable Agencies - 2019



Source: City budget documents and/or county assessor's offices' websites.

It should be noted that starting in 2018, cities can exempt senior citizens, disabled veterans, and other people with disabilities from the tax increase resulting from a levy lid lift if desired. Any exemptions would need to be stated in the ballot measure placed before voters.



## 10. Implement a Levy Lid Lift as a specific purpose tax

**STRATEGY TYPE:** Revenue Enhancement

### IMPACT ESTIMATE

The City's property tax levy rate in 2019 is just over \$0.93 per \$1,000 assessed valuation and is expected to generate \$13.6 million in total annual property taxes in 2019, of which the General Fund portion is \$11.9 million. Implementing a levy lid lift for a specific purpose (e.g., parks maintenance, public safety) through a ballot measure is estimated to yield the following fiscal impact (based on existing assessed valuation):

- Tax rate of \$0.05 per \$1,000 assessed valuation: \$632,000 increase in General Fund property tax in the first year of implementation
- Tax rate of \$0.10 per \$1,000 assessed valuation: \$1,264,000 increase in General Fund property tax in the first year of implementation
- Tax rate of \$0.15 per \$1,000 assessed valuation: \$1,896,000 increase in General Fund property tax in the first year of implementation

### FEASIBILITY

In many cases, feasibility of this budget strategy would be similar to a levy lid lift discussed in Budget Strategy 9. However, in this case, voters would be asked to approve a measure dedicated to a specific purpose. Some agencies find that dedicating revenues to a specific purpose to avoid the elimination of that service meets with greater public support because the public understands what they will be getting for the tax being paid.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Minimal
Timing necessary for implementation	Minimal
Disruptive impact on service delivery	Minimal
Disruptive impact within City organization	Minimal
<b>Overall difficulty for Implementation</b>	<b>Moderate</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Good</b>

### BACKGROUND/ANALYSIS

Washington state law allows for cities to create property tax levies for specified purposes. There are limits on the amount of levy that can be charged based on the specified use. Mercer Island has previously implemented a parks maintenance and operations levy lid lift that expires at the end of 2023, and a fire station and fire rescue truck levy lid lift that expires at the end of 2021.



Table 16 shows the special purpose levy limits that would be applicable to Mercer Island, along with other specific circumstances applicable to each type of levy.

*Table 16. Special Purpose Levy Limits Allowed under Washington State Law*

Levy Type	Levy Limit	Other Considerations
Affordable Housing	\$0.50 per \$1,000 AV	Revenues restricted to finance affordable housing for “very low-income” households; requires simple majority voter approval
Emergency Medical Services (EMS)	\$0.50 per \$1,000 AV	Restricted to providing emergency medical care or services; may be imposed 6 years, 10 years, or permanently; requires 60% majority voter approval for initial measures; renewal for 6- or 10-year measures require simple majority approval; separate accounting and referendum procedures apply to permanent measures
Excess Levy (operations and maintenance)	No limit	Levy is only authorized for one-year at a time; may be used for any lawful governmental purpose, but spent in accordance with purpose(s) specified in the approved ballot measure; requires 60% majority approval
Other special purpose levy lid lifts	Subject to maximum statutory rate	Follows regular levy lid lift procedures and limitations; may be implemented for single or multiple years

*Source: MRSC of Washington Revenue Guide for Washington Cities and Towns, February 2019*

To have the desired fiscal impact, the City would want to focus on levies that would provide ongoing revenue to fund operations. The Excess Levy would be limited to one-year and would expire the following year unless renewed, which is not a viable option given the City’s ongoing structural deficit. Special purpose levy lid lifts with potential for voter approval could be proposed for the following:

- Public safety (combined police and fire services)
- Police services
- Fire services
- Emergency medical services (as a subset of fire services)
- Parks and recreation operations
- Youth and family services

If such levy lid lifts were proposed, the City would need to determine if those services could be funded without the levy lid lift for the future, and would be best packaged under the provision that the measure is being sought for approval to avoid service level reductions in the specified areas.



## 11. Renew the existing Parks Maintenance and Operations (M&O) Levy Lid Lift

**STRATEGY TYPE:** Revenue Enhancement

### IMPACT ESTIMATE

The City's existing levy lid lift dedicated to parks maintenance and operations expires at the end of 2023. Revenues anticipated at that time from the measure are expected to reach \$737,000 per year in 2023. If submitted to voters for approval and the measure passes, additional revenues of over \$747,000 starting in 2024 could be maintained.

### FEASIBILITY

In many cases, feasibility of this budget strategy would be similar to a levy lid lift as discussed in Budget Strategy 10. However, in this case, this would be a renewal of an existing levy which might have greater opportunities for voter approval as it is not seen as a new levy.

Factor	Difficulty Level
Potential for community pushback	Minimal
Technical and operational difficulties of implementation	Minimal
Timing necessary for implementation	Minimal
Disruptive impact on service delivery	Minimal
Disruptive impact within City organization	Minimal
<b>Overall difficulty for Implementation</b>	<b>Minimal</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Great</b>

### BACKGROUND/ANALYSIS

The levy lid lift dedicated to parks M&O activities was submitted to and approved by voters in 2008. The measure levies a total of \$950,000 in property taxes in 2019, with \$252,000 dedicated to capital improvement costs (this is a fixed amount through 2023) and the remainder deposited into the General Fund to support parks maintenance and operations activities. The lift is subject to the 1% annual increase as with the regular property tax levy.

This strategy would seek to maintain the existing levy at its then-current levels when it expires at the end of 2023. If such a renewal measure were proposed, the City would need to determine if existing parks M&O activities could be funded without the levy lid lift for the future, which is unlikely. It would be best packaged under the provision that the measure is being sought for approval to avoid service level reductions to parks maintenance and operations.



## 12. Increase the Business and Occupations (B&O) Tax

**STRATEGY TYPE:** Revenue Enhancement

### IMPACT ESTIMATE

Increasing the B&O tax would yield the following additional annual revenues:

- Tax rate of 0.15%: \$350,000
- Tax rate of 0.20%: \$700,000

### FEASIBILITY

The City Council could approve an increase in B&O tax up to 0.2% of gross receipts by resolution in accordance with state law. Increases above the 0.2% amount would require simple majority voter approval.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Minimal
Timing necessary for implementation	Minimal
Disruptive impact on service delivery	Minimal
Disruptive impact within City organization	Minimal
<b>Overall difficulty for Implementation</b>	<b>Minimal</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Great</b>

### BACKGROUND/ANALYSIS

The City charges a B&O tax on gross receipts earned by businesses within city limits. Taxpayers file annual returns at the end of each calendar year, except that businesses with more than \$1 million in annual gross receipts must file quarterly returns. The first \$150,000 of gross receipts are exempt from tax. Receipts above that threshold are taxed at a rate of 0.1% subject to a \$20 minimum tax. The current tax is projected to yield annual revenues totaling \$643,000.

The B&O tax is subject to a limit of 0.2% of gross receipts based on state law, unless approved by voters to exceed that amount. Utilities are exempt from the tax in accordance with state law.

Prior to 2019, the City deposited the tax into the Beautification Fund as its primary revenue source. The tax proceeds were restricted by ordinance for specified uses (e.g., installation and maintenance of landscaping, undergrounding power lines, operations and maintenance of lighting facilities). The City Council approved changes to the ordinance in 2018 that released those restrictions starting in 2019, making it a general purpose tax. The revenues and expenditures associated with the Beautification fund have been folded into the General Fund starting in 2019.



Baseline revenue growth is dependent on increased gross revenues for mid- to large-sized businesses. Historically, the tax has grown by 3% per year, which is expected to continue in the current fiscal forecast.

MRSC indicates that 44 of 281 Washington cities levy a B&O tax. Tax rates for comparable agencies are provided in Table 17 below. Mercer Island and Bainbridge Island have the lowest B&O tax rate of those agencies that levy the tax.

*Table 17. Business and Occupation Tax Rates Among Comparable Agencies for 2019*

City	B&O Tax Rate
Bainbridge Island	0.10%
Mercer Island	0.10%
Issaquah	0.15% (Services) 0.12% (All others)
Kenmore	0.20% (Manufacturing only)
Auburn	N/A
Bothell	N/A
Kirkland	N/A
Lynnwood	N/A
Mukilteo	N/A
Sammamish	N/A
SeaTac	N/A





### 13. Increase utility users tax rates on City-owned utilities (water, sewer, stormwater)

**STRATEGY TYPE:** Revenue Enhancement

#### IMPACT ESTIMATE

Each 1% increase in the utility users tax rate (UUT) on City-run utilities (water, sewer, and stormwater) represents approximately \$195,000 in additional revenue to the General Fund. Increasing the UUT on these services from the current 5.3% to 8% would generate approximately \$526,000 in additional General Fund revenues.

#### FEASIBILITY

Implementing the UUT would require City Council approval by resolution. However, there is the potential that a referendum procedure could be required as Washington State law (RCW 35.21.706) is currently not clear on this point. The City Attorney would need to be consulted should a UUT increase be considered. As the taxes would be passed on directly to rate payers, public sentiment would need to be considered.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Minimal
Timing necessary for implementation	Minimal
Disruptive impact on service delivery	Minimal
Disruptive impact within City organization	Minimal
<b>Overall difficulty for Implementation</b>	<b>Moderate</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Good</b>

#### BACKGROUND/ANALYSIS

A UUT is an excise tax placed on utilities that provide services in a municipality. Potential utilities that may be included in a UUT are natural gas, electric, telephone, cable, water, sewer, stormwater, and solid waste. The UUT is levied on gross operating revenues collected by the utility provider on services within the city limits. A UUT provides a diversified revenue stream to a city such as Mercer Island that is heavily dependent on property tax, which has statutory growth limitations. UUT revenues are also generally more predictable and less volatile than other General Fund revenue sources such as sales tax and development fees.

Without voter approval, there is a 6% limit on the UUT that can be collected on natural gas, electric, and telephone utilities. The remaining utilities have no legislative limitations on the amount of the UUT that can be assessed. Mercer Island currently charges UUT as presented in Table 18 below:



*Table 18. Mercer Island Utility User Tax Rates for 2019*

Utility Service	2019 Tax Rate
Natural Gas	6.0%
Electric	6.0%
Telephone	6.0%
Cable	7.0%
Solid Waste	7.0%
Water	5.3%
Sewer	5.3%
Stormwater	5.3%

The UUT for water, sewer, and stormwater utilities was 8% until January 1, 2019 when it reverted from 8% back to 5.3%. It had been temporarily increased in 2017 for eighteen months by 2.7% to reimburse the City for costs related to the I-90/light rail litigation.

Based on a review of comparable cities, UUT is commonplace in cities in King County, with the exception of Issaquah, Newcastle and SeaTac for city-owned utilities. Among the comparable agencies we reviewed, five of the ten cities surveyed had UUT on at least some utilities while the other five did not. Only three cities (Auburn, Kirkland and Lynnwood) had utility taxes on city-owned utilities. Rates charged for water, sewer and stormwater utilities for these agencies are shown in Table 19: Mercer Island's current rate is the lowest among these agencies.

*Table 19. UUT Rates for Comparable Agencies that Assess UUT on Water, Sewer and/or Stormwater Utilities for 2019*

Agency	Tax Rate
Mercer Island	5.3%
Lynnwood	6.0%
Auburn	7.0%
Kirkland	7.5% for stormwater 10.5% for sewer 13.38% for water

Returning the UUT in Mercer Island to 8.0% for water, sewer and stormwater would generate an additional \$526,000 in General Fund revenues annually.



## 14. Implement the sustainability (administrative) fee in the solid waste contract

**STRATEGY TYPE:** Revenue Enhancement

### IMPACT ESTIMATE

Implementing the proposed sustainability fee up to its cap of 3.5% would generate increased annual revenues up to \$150,000 based on the gross revenues projected to be received by Recology from all customers, excluding drop box (i.e., roll-off dumpsters) disposal fees implemented as part of the new solid waste services contract with Recology.

### FEASIBILITY

Increasing the administrative fee as part of the new franchise agreement with Recology requires Council action by resolution and can only go into effect at the time that service rates would also be adjusted under the terms of the new contract. This would be a pass-through fee that Recology would be eligible to collect and present on customer's bills. Impact on rate payers may be met with resistance if it is implemented at a time when solid waste rates are also expected to increase. The City Council has the authority to increase the fee from 0% up to the cap of 3.5% under the terms of the agreement. The new agreement becomes effective October 1, 2019, with a term of ten years and an option for the City to extend it up to an additional two years.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Minimal
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Minimal
Disruptive impact within City organization	Minimal
<b>Overall difficulty for Implementation</b>	<b>Moderate</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Moderate</b>
<b>Potential of Success</b>	<b>Moderate</b>

### BACKGROUND/ANALYSIS

The City has a current franchise agreement with Republic Services (Rabanco/Allied Waste) for solid waste collection services that expires September 30, 2019. The City commenced an RFP process to secure proposals for solid waste services upon expiration of that contract. Based on qualitative and quantitative factors, Recology scored the highest in both sections of the RFP from among the submitted proposals. Council approved a contract with Recology that starts October 1, 2019 for a 10-year period.

Solid waste contracts between cities and private service providers typically include an administrative fee that is based on a percentage of gross revenues generated by the service provider. The fees can be used for any general purpose that the City determines is in its best



interest and is not required to be related to solid waste services or environmental programs. Solid waste providers typically pass this fee onto consumers and include the fee in customer bills. In preparing the staff report for Council consideration, staff noted that every other city served by Recology charged a fee with the average fee being 9% of gross revenues. Only one of the seven cities surveyed (Maple Valley) had an administrative fee less than 3.5%.

The draft contract included a proposal for a 3.5% “sustainability adjustment” fee based on gross revenues to compensate the City for administering the contract and its sustainability efforts related to solid waste. Recology indicated their intent to pass this fee onto consumers if the fee were implemented as part of the contract. Initial garbage rates are expected to increase by approximately 8% for typical household customers due to the significant cost increases associated with processing recyclable materials. Council was concerned about the additional 3.5% impact on ratepayers.

After deliberations, the Council approved a resolution to approve the contract with Recology that would initially set the fee at 0%, with a cap of 3.5% during the life of the contract. The terms of the contract allow the City Council to change the fee in any year to occur when solid waste rates would change (typically October 1 of each year).

Based on anticipated gross revenues from the contract, the City was expected to receive over \$150,000 in fees annually based on the 3.5% rate.



## 15. Increase utility users tax rates (UUT) on solid waste services

**STRATEGY TYPE:** Revenue Enhancement

### IMPACT ESTIMATE

Increasing the UUT on solid waste services by 1% would increase General Fund revenues by an estimated \$45,000 per year. An increase from 7% to 9% would generate an additional \$90,000 per year.

### FEASIBILITY

The City Council can increase the UUT on the solid waste provider by Council resolution amending the existing solid waste UUT ordinance. There is no statutory limit on the amount of the tax. The City may be required to include a referendum clause in the ordinance regardless of whether it has otherwise adopted powers of initiative and referendum, however state law is unclear on this matter. Solid waste rates are expected to increase by 8% for the typical household consumer under the new franchise agreement with Recology that starts October 1, 2019. The City Council already deferred implementing an administrative fee on the contract in light of that increase. For more information, see Budget Strategy 14.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Minimal
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Minimal
Disruptive impact within City organization	Minimal
<b>Overall difficulty for Implementation</b>	<b>Moderate</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Minimal</b>
<b>Potential of Success</b>	<b>Low</b>

### BACKGROUND/ANALYSIS

State law allows a city to impose a UUT on various utility providers. While restrictions exist on the amount of the tax rate for electric, gas and telephone services, there is no restriction in place for solid waste providers. While the UUT is imposed on the utility provider itself, the utility will ordinarily pass through those costs to customers and break out the amount of the UUT on the customer's tax bill.

The City's current solid waste UUT is 7% on gross revenues. The current agreement with Republic Services generates over \$300,000 per year in General Fund revenues. With solid waste costs expected to increase by 8% starting in October 2019 under a new agreement with Recology, an increase of 1% of the tax rate would yield additional annual revenues totaling \$45,000 per year.



Comparable agencies' solid waste tax rates are presented in Table 20. Mercer Island's rate is higher than all other agencies other than Auburn (also at 7%) and Kirkland (at 10.5%). The average rate is 6%.

*Table 20. Comparable Agency Solid Waste UUT Rates for 2019*

City	2019 Solid Waste UUT Rate
Kenmore	None
Bainbridge Island	5.0%
Bothell	5.0%
SeaTac	5.0%
Issaquah	6.0%
Lynnwood	6.0%
Mukilteo	6.0%
Auburn	7.0%
Mercer Island	7.0%
Kirkland	10.5%

*Source: City websites and/or municipal codes*



## 16. Increase fees and charges to establish cost recovery standards at/near full cost recovery

**STRATEGY TYPE:** Revenue enhancements

### IMPACT ESTIMATE

If the policy regarding cost recovery on development fees were modified to collect closer to full cost of providing these services, additional revenues would likely not exceed \$100,000 could be generated in the General Fund. However, it does not appear there is much room for additional revenue increases in parks and recreation fees.

### FEASIBILITY

The determination of a cost recovery target for fee setting purposes is a Council policy decision. Clearly, there are often market and policy factors that should be considered when determining a cost recovery target. For example, if a particular fee is to be charged on a program financially benefitting an individual, full or near full cost recovery is usually appropriate. Otherwise, the general tax base of the City, used to fund non-fee-based services like fire and police, would be making up the cost difference.

Market realities should also be considered in that if fees are set too high where a customer has choices (e.g., some recreation programs), they may go elsewhere. Where customers do not have a choice (e.g., building and planning services), they may postpone or reduce the size of a project if fees are excessive. With these considerations in mind, it appears there is some room for additional cost recovery for development fees.

Factor	Difficulty Level
Potential for community pushback	Minimal
Technical and operational difficulties of implementation	Minimal
Timing necessary for implementation	Minimal
Disruptive impact on service delivery	Minimal
Disruptive impact within City organization	Minimal
<b>Overall difficulty for Implementation</b>	<b>Minimal</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Moderate</b>
<b>Potential of Success</b>	<b>Good</b>

### BACKGROUND/ANALYSIS

The two largest categories of user fees in the General Fund are development fees and parks and recreation fees. Development fees primarily consist of charges for building, planning and engineering services, about two-thirds of which are for permits to build or remodel single-family residences. Total projected revenue from development fees in 2019 is \$3.1 million. Parks and Recreation fees consist of charges for various athletic and cultural recreation programs, use



of the Mercer Island Community and Event Center, park facility rental fees and special use permits. Total projected revenue from parks and recreation fees in 2019 is \$2.1 million.

### Development fees

In November 2018 a development fee study was completed by the consulting firm, FCS Group, to update the cost of service of all development fees and establish the appropriate fee for each service. They identified the cost of each services and recommended an appropriate fee level based on the desired level of cost recovery. No changes were made to the City Council adopted target cost recovery levels, which are as follows:

- Building services – 95%
- Planning services – 80%
- Engineering services – 80%

The study determined that land use fees were significantly below the 80% cost recovery level. Accordingly, land use fees were adjusted beginning January 1, 2019, which staff estimates will generate an additional \$60,000 in revenue annually. This revenue adjustment was included in staff's recommended General Fund deficit spending reductions, which were approved by the Council on April 2, 2019.

With these cost recovery targets in mind, City staff estimates 2019 development services revenues of \$3.1 million as shown in Table 21:

*Table 21. Estimated Development Services Revenue by Fee Category – 2019*

Fees	2019 Revenue Estimate
Building plan review and inspection	\$ 2,460,577
Land use planning	281,000
Development engineering	318,000
	3,059,577
Fire inspections	140,000
<b>Total development fees FY 2019</b>	<b>\$ 3,199,577</b>

When determining an appropriate cost recovery level, consideration should be given to the amount of benefit provided to an individual versus the public in general. Charges for services that most benefit a private party (e.g., building services) with limited benefit to all citizens should be recouped at a higher rate than services that at least in part also benefit all residents (e.g., planning services). Other factors, such as market rates, can also be considered when establishing cost recovery rates. State law (RCW 82.02) further limits development fees to those costs directly associated with the processing of applications, inspecting, and reviewing plans.





Given these factors, the cost recovery targets set by the City seem reasonable and do not leave much room for additional revenue generation from development fees. However, if the City should choose to increase all development fees, for example, 5% closer to 100% cost recovery (i.e., at or near 100% recovery for building fees, 90% for planning and engineering fees), it could generate an additional \$167,000 in annual revenues assuming market forces do not reduce development activity due to the higher fees.

#### Parks and Recreation fees

Parks and Recreation fees, projected to be \$2.1 million in 2019, are the next largest category of user fees in the General Fund and consist of charges for various athletic and cultural recreation programs, use of the Mercer Island Community and Event Center (MICEC), park facility rental fees and special use permits. Staff members review these fees on an annual basis and believe they are already at the high end of the market. The MICEC fees are actually higher than surrounding community centers because MICEC is also an event center.

Because parks and recreation fees are already about as high as the market will allow, there is likely not much room to generate significant additional General Fund revenues from these program fees. Greater effort is being placed on efficiencies in service approaches to attempt to reduce the costs of providing those services.



## SERVICE LEVEL REDUCTIONS

### 17. Take no action

**STRATEGY TYPE:** Service Level Reductions

#### IMPACT ESTIMATE

The fiscal impact of taking no action would leave the City's General Fund fully depleted of reserves by FY 2023, at which point the City would be forced to implement hiring freezes or layoffs. To avoid bankruptcy, those hiring freezes and layoffs would need to total nearly \$2 million and grow to \$5 million by 2024, or just short of 17% of the General Fund's annual operating expenditures.

#### FEASIBILITY

The option of "doing nothing" is not feasible without forcing the City into bankruptcy proceedings. The City would face litigation from creditors, employee groups, residents, and agencies such as the state pension fund, risk insurance pools, and others. Ultimately, the City would be placed into a form of receivership by the state and would then be overseen by an appointed court to implement the necessary actions to allow the City to operate.

Factor	Difficulty Level
Potential for community pushback	Significant
Technical and operational difficulties of implementation	Significant
Timing necessary for implementation	Significant
Disruptive impact on service delivery	Significant
Disruptive impact within City organization	Significant
<b>Overall difficulty for Implementation</b>	<b>Significant</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Minimal</b>
<b>Potential of Success</b>	<b>None</b>

#### BACKGROUND/ANALYSIS

The fiscal model indicates that the City faces a structural deficit that would increase to an annual shortfall of \$4.8 million by FY 2024 and would continue to grow thereafter given the 1% limitation on annual property tax levy increases and binding interest arbitration on police and fire personnel that requires an agency to match cost of living adjustments to that of other local agencies on the west coast. Reserves would be fully depleted by FY 2023.

The City would be forced into bankruptcy proceedings, placing the control of fiscal and, in some cases, operational decisions in the hands of the courts, which would take the necessary action to restore the City's fiscal health. This could mean significant reductions or full outsourcing of a variety of services such as police, fire, parks, recreation, and public works. It



would have negative impacts on economic development and quite possibly home prices. The City would face difficulties in recruiting and retaining its workforce as it would have a negative reputation in the labor market.



## **18. Implement General Fund services and staffing reductions**

**STRATEGY TYPE:** Service Level Reductions

### **IMPACT ESTIMATE**

The City's General Fund is projected to have a nearly \$1.7 million budget gap in 2021 and a \$4.8 million gap by 2024. If the combination of enacted expenditure controls, service delivery changes, and revenue enhancements do not resolve this fiscal gap, the City would have to implement General Fund service level reductions. A thorough analysis of department operations would be needed.

For purposes of this analysis, a 15% reduction in the three largest General Fund departments, police, fire, and parks and recreation departments, would yield an annual expenditure savings to the General Fund of approximately \$3 million. Additional savings might be identified through a review of administrative and internal support operations (e.g., finance, human resources, administration, etc.). The actual amount of reductions to close the fiscal gap will depend on the other strategies selected and the resultant fiscal impact of those measures.

### **FEASIBILITY**

Given that Mercer Island's personnel expenditures account for 71% of the General Fund budget, achieving a 15% cost reduction in the departments indicated above would require significant reductions in positions. The average General Fund employee costs the City \$130,000 per year. Based on this average, we estimate that to reduce total costs by \$3 million the City would need to reduce its workforce by 17 positions if 75% of cuts came from personnel costs, or as many as 23 employees if 100% of cuts came from personnel costs. This range represents 12% to 16% of the total General Fund workforce of 147 FTE.

Such reductions would have dramatic impacts on police, fire, and parks and recreation services, which would bear the brunt of those service level reductions given their relatively high expenditure levels. Even with these potential position cuts, only \$3 million of an eventual \$4.2 million budget gap would be solved. Other budget reduction strategies would also need to be put in place.

There would likely be significant community pushback in reducing service levels to this extent. This strategy, however, would be necessary to provide fiscal sustainability if other cost reductions or revenue enhancement strategies are not pursued or are not successful.



Factor	Difficulty Level
Potential for community pushback	Significant
Technical and operational difficulties of implementation	Moderate
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Significant
Disruptive impact within City organization	Significant
<b>Overall difficulty for Implementation</b>	<b>Significant</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Moderate</b>
<b>Potential of Success</b>	<b>Moderate</b>

**BACKGROUND/ANALYSIS**

Service level reductions represent strategies that would be necessary after cost controls/shifts, service delivery changes, and/or revenue enhancement strategies do not culminate in sufficient savings to close the fiscal gap. Reducing service levels would require departments to review all expenditures, identify prioritized service levels, and develop a list of recommended reductions for City Manager and, ultimately, City Council approval to achieve the necessary fiscal target. The analysis would require a thorough and common understanding of the jurisdiction’s core levels of service, legally or contractually required services, and clarity regarding mission and values. In some cases, services may need to be viewed from a programmatic perspective so those that require cooperation from multiple departments receive special consideration.

We have estimated the fiscal impact based on current expenditures in the General Fund. For purposes of our analysis, we assume that a 15% General Fund expenditure reduction target would be implemented, and departments would then need to identify reductions in personnel, services and supplies, and ongoing capital needs to achieve the necessary reduction.

As noted above, a 15% reduction in the police, fire, and parks and recreation departments would yield annual expenditure savings to the General Fund of approximately \$3 million.

Reductions in command staff for Police and Fire would yield savings in those two departments. However, the impacts associated with proper oversight, supervision, and legally mandated reporting requirements that require management-level review and oversight would need to be addressed closely.

Parks and Public Works maintenance would require significant cuts in staffing, delays in attending to infrastructure repair needs, and reduced ability to respond to natural disasters or events such as the winter storm the City experienced a few months ago.

The Community Planning and Development Department could also be considered in the approach. However, much of that department’s operations are currently self-supporting or



nearly so through fees and charges (primarily, planning and building services), so cuts to this department would generate less net savings than other non-fee-based department services.

The Youth and Family Services (YFS) programs could also be considered for reduction or elimination given that some of these programs are not generally considered core services provided by municipalities. However, the staff recommended strategies already anticipate that the General Fund would no longer support YFS services starting in 2020.

Reductions in administrative functions (i.e., City Manager's Office, City Attorney's Office, Human Resources, Finance, Information and Geographic Services) would likely not be achievable in the short term. After the organization achieved stability under the new level of operations there is the potential for additional salary and benefit savings of nearly \$200,000, assuming a 5% reduction in those administrative support functions.



## 19. Eliminate/brown out one fire station

**STRATEGY TYPE:** Service Level Reductions

### IMPACT ESTIMATE

Annual budget savings could be \$1.8 million in personnel costs alone if station 92 were no longer used. Savings would be less if instead of elimination there was a “brown out” or reduction in service level at times of the day that typically receive fewer calls. However, there is potential that other jurisdictions would likely charge the City for mutual aid response. The net savings is estimated to be \$1.4 million annually.

### FEASIBILITY

Major challenges to the feasibility of this strategy include significant negative impacts such as a significant reduction in firefighting and emergency medical response capabilities within the City, increased response times to the southern part of the island, increased reliance on mutual/automatic aid responses from neighboring fire departments, and bargaining requirements with the represented firefighter personnel.

Factor	Difficulty Level
Potential for community pushback	Significant
Technical and operational difficulties of implementation	Significant
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Significant
Disruptive impact within City organization	Significant
<b>Overall difficulty for Implementation</b>	<b>Significant</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Moderate</b>

### BACKGROUND/ANALYSIS

In 2017, the City leaders signed a new Automatic Aid Interlocal Agreement encompassing every fire agency in King County. It contains language specifying that agencies cannot reduce current staffing levels as a result of the agreement. Reductions in Fire Department staffing levels would therefore put the City in violation of this agreement.

Since that at any time there are only seven firefighters on duty in Mercer Island, the City is very dependent on help from neighboring departments when a major fire or other event takes place. If Mercer Island were to reduce staffing, if mutual aid was needed, other departments likely would do so, but on a fee per call basis. The cost would depend on the number of personnel and apparatus used and would reduce the savings generated by a reduction in personnel to some degree.



Station 92 is currently staffed with three full-time personnel (one lieutenant and two firefighters) 24 hours a day, 7 days a week. If station 92 were closed completely, this would eliminate nine firefighter and three fire lieutenant positions. The salary and benefit savings alone would be approximately \$1.8 million. Additional savings would come from reduced operating costs in the form of fire apparatus and the facilities. The City would need to determine alternative uses for Station 92 or otherwise keep it vacant for potential future use. However, this would require a minimum level of maintenance of the facility and the grounds to remain in character with the neighborhood.

Substantial study would have to be given to this strategy before implementation due to the dramatic impact it would have on response times and level of fire and medical emergency services in the City of Mercer Island. In addition, as noted earlier, impacts on mutual/automatic aid agreements and on labor relations would have to be considered carefully as well.





## 20. Reduce parks landscape maintenance and irrigation

**STRATEGY TYPE:** Service Level Reduction

### IMPACT ESTIMATE

Annual budget savings of \$100,000 could be achieved by reducing landscape beautification and irrigation in City parks with an accompanying reduction in service levels as discussed below.

Savings of \$250,000, or 10% of the annual budget of the Parks Maintenance Division, would have a more severe impact on parks appearance, open space management, and maintenance of athletic fields and playgrounds. Staff has begun an operations assessment of the Parks Maintenance division, which when completed will provide a more precise estimate of potential savings.

### FEASIBILITY

A budget reduction of \$100,000 in the Parks Maintenance division is feasible, although park facilities would experience observable changes. A reduction of \$250,000, or roughly 10% of the annual budget, would have more severe negative impacts on open space management, proactive tree maintenance, athletic field maintenance, and potential degradation and/or deferred maintenance of parks infrastructure such as irrigation systems, pathways and fields.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Minimal
Timing necessary for implementation	Minimal
Disruptive impact on service delivery	Moderate
Disruptive impact within City organization	Moderate
<b>Overall difficulty for Implementation</b>	<b>Moderate</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Minimal/Moderate</b>
<b>Potential of Success</b>	<b>Low/Moderate</b>

### BACKGROUND/ANALYSIS

The Parks Maintenance division of the Parks and Recreation department has an annual budget of \$2.6 million and maintains nearly 500 acres of parks and open space in the City. Operations are supported by 10 full-time equivalent staff members. This division maintains nearly 500 acres of parks, open space and facilities such as athletic fields, playgrounds, sport courts, swimming beaches, street-end waterfront access areas, hiking, biking and equestrian trails, and picnic facilities.



The level of service for maintenance of parks could be reduced. This would mean mowing, weeding, and irrigating City parks less, and possibly reducing supplies and contracted services such as arborist services.

Reducing one FTE position plus various maintenance supplies and services could yield \$100,000 or more in savings. The following would result:

- Reduction in the appearance of certain parks amenities,
- Potential for overgrowth during spring and summer months, and
- Reduced capacity to address any significant issues such as downed tree limbs, excess trash, or damage done by excessive parks use.

The City would like experience minor degradation in parks infrastructure, but clearly the level of parks maintenance enjoyed by the community would be reduced and noticed.

A targeted reduction of 10% of annual operating expenditures would yield \$250,000 in budgetary savings, requiring the following:

- Reduction of two FTEs,
- Reduction in supplies and services,
- Elimination of some maintenance equipment to reduce fleet and/or equipment maintenance costs,
- Reprioritization of response efforts related to proactive maintenance and significant maintenance needs such as winter storms, damage in city parks, or safety issues, and
- Rebalancing of responsibilities among maintenance staff.

The public would notice vegetation overgrowth during the spring and summer seasons along hiking/biking trails and in parks and open space areas and a more reactive approach in arborist and maintenance responsibilities. In some circumstances, park closures may be required to allow time for the reduced work crew to correct safety issues that may arise. Discussions with youth sports groups that use athletic fields would be required to prioritize needs and service levels.

City staff is in the early stages of a parks maintenance operational assessment that will help identify potential efficiencies and cost saving opportunities.



## 21. Eliminate or Reduce Marine Patrol Services

### STRATEGY TYPE: Service Level Reduction

#### IMPACT ESTIMATE

The cost of providing Marine Patrol services is \$381,000 net of the direct revenues received for providing the service to the cities of Renton and Bellevue based on the FY 2019 budget. However, the interlocal agreement (ILA) with Bellevue provides in-kind services that, if marine patrol services were eliminated, Mercer Island would need to enter into separate contracts for those services. Estimated cost savings, net of the impacts of the ILA, would at most equate to approximately \$100,000 pending a renegotiation of the ILA with Bellevue and valuation of in-kind police and fire services provided by Bellevue.

#### FEASIBILITY

Although provision of Marine Patrol Services is a public safety item, it is an unusual service for a small City to provide. Alternatively, to preserve the service, boat owners docked at Mercer Island as well as other potential users of the service, such as the Mercer Island Beach Club and surrounding cities, could be asked to pay for the full cost of service as the condition of continuing to provide it.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Significant
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Significant
Disruptive impact within City organization	Moderate
<b>Overall difficulty for Implementation</b>	<b>Significant</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Moderate</b>

#### BACKGROUND/ANALYSIS

Marine patrol services include patrol of the waterways surrounding Mercer Island, Bellevue and Renton on Lake Washington and includes a dive team that is able to perform search and rescue. This type of service is not typically provided by small cities that have significant waterfront bordering their community. It is more common for marine patrol services to be provided by larger communities that have the size and capacity to provide them.

It is not uncommon for smaller communities to create special districts or contract marine patrol as a private service that levies the cost of service on property owners who own or rent boats



along the waterfront, a subset of the entire population. Some portion of beneficiaries of the service are presumably non-residents, who are getting this public safety service for free.

The City currently has a cost allocation model in place with the cities of Renton and Bellevue as follows:

- **Renton** – fee is based on the percentage of time and activity spent by the Mercer Island Police Department (MIPD) in their waters
- **Bellevue** – in-kind services are provided between Bellevue and Mercer Island through an interlocal agreement (ILA). MIPD provides marine patrol services to Bellevue, and in return Bellevue provides specialized law enforcement services (e.g., K-9, forensics, firing range, SWAT), placement of buoys in waterways, and mutual response for fire services under the King County Fire Resource Plan, including use of a tiller (i.e. ladder) truck that Mercer Island does not have in its apparatus inventory. Mercer Island receives boat tax revenues for all boats harboring in Bellevue.

If the City does not wish to give up this unique service, more aggressive cost sharing contracts could be attempted to be negotiated as a condition of keeping the service, perhaps on a reduced scale. Ultimate service provision could be pegged to the costs that users would be willing to pay as a result of negotiations. It is estimated that there are over 140 boats docked at Mercer Island. The current net cost of the service spread over 140 boats equates to over \$2,700 annually, however that does not consider the cost deferral of in-kind police and fire services provided by Bellevue under the terms of the ILA. Assuming a net cost to the City after ILA services of \$100,000, the cost per boat equates to roughly \$725 per year.

If the City were to eliminate the service, there would be a rise in public safety concerns. The City could mitigate its exposure to liability by posting articles well ahead of time indicating it was discontinuing the service, and by clearly posting on dock and/or beach facilities that it does not patrol the area, and that boaters are using Lake Washington at their own risk.



**22. Reduce law enforcement specialized services (investigations and special programs, special teams, school resource officer, emergency preparedness planning)**

**STRATEGY TYPE:** Service Level Reduction

**IMPACT ESTIMATE**

Mercer Island’s costs (net of reimbursements) for investigations and all specialized services, including Marine Patrol, is approximately \$1.3 million, which is 17% of the total Police department budget of \$7.4 million. Excluding Marine Patrol net costs (see Strategy 21), specialized police services have a net cost of \$915,000. This includes investigations, special programs, and emergency management. If the City were to cut these costs in half, the net savings to the General Fund would total about \$450,000 annually.

**FEASIBILITY**

A 50% reduction in specialized services would require significant reductions in investigations and school resource officer (SRO) programs. This would likely be met with significant community resistance, especially the SRO program which has been high profile in the community in light of the increase in active shooter situations across the nation. Impacts of layoffs would need to be discussed with the police bargaining unit. The City would need to take a cautious approach in terms of public discourse regarding any reduction in services to not invite increased crime activity in the community should it pursue such options.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Moderate
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Significant
Disruptive impact within City organization	Significant
<b>Overall difficulty for Implementation</b>	<b>Moderate</b>
	<b>Rating</b>
<b>Fiscal Impact</b>	<b>Significant</b>
<b>Potential of Success</b>	<b>Good</b>

**BACKGROUND/ANALYSIS**

Specialized law enforcement services are incorporated in the Investigations and Special programs division of the Police Department. Services include the following:

- **Marine Patrol and Dive Team.** Patrol services on Lake Washington (see detailed analysis under Strategy 21).



- **School Resource Officer.** Provides a layer of security in the public schools with one armed officer that patrols the various schools. This service has been well received by the community in light of the increase in active shooter incidents across the nation. Mercer Island School District provides 17% of the funding for the SRO position.
- **Special Operations.** This includes bike patrol, civil disturbance, and tactical response units that mitigate the need for mutual aid SWAT services from Bellevue.
- **Investigations.** Detectives investigate a range of crime activity from misdemeanors to felonies.

The City rotates officers through these special programs as a means of providing job growth and experience. This has been helpful to the City in recruiting and retaining officers.

Mercer Island's data on calls for service shows a total of 14 priority 1<sup>1</sup> and 2<sup>2</sup> calls over the last two years, or an average of seven calls per year of an immediate, emergency nature. Without reducing Patrol staff, a dramatic cut in investigations and special programs would not be optimal, but would likely have a minor impact on responses to Priority 1 or 2 calls. There is always a concern that reducing law enforcement response, even in special program areas such as these, can result in increased crime activity in a community. Given the significant investment in police services by the City, if the department were to look at service level reductions, the obvious place would be for non-patrol services.

Options to mitigate impacts include partnering with other agencies such as King County Sheriff's Office or the cities of Bellevue and Renton for school resource officer and investigations. However, the costs of those services would need to be explored with those agencies. Another option would be to identify opportunities to increase the cost sharing arrangement of the SRO program with MISD, subject to their funding constraints.

A 50% reduction in special services would likely require the elimination of two of the four FTEs in the division, with significant reductions in investigations services and impairment of the school resource officer position. The Special Operations unit could also be curtailed, however the fiscal impact of those services pale in comparison to investigations and the SRO program.

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<sup>1</sup> The Police Department defines Priority 1 calls as "Requests for service of an emergency nature which require immediate police response, as there is reason to believe that a continuing serious threat to life exists."

<sup>2</sup> Priority 2 calls are defined as "of an emergency nature where continuing unknown criminal activity is present or incidents such as serious injury accidents."



## Attachment B – Other Strategies Identified Not Specifically Analyzed

Table 22 summarizes additional strategies that were identified during our analysis that were either deemed to provide little or no significant fiscal impact (i.e., less than \$50,000 annually) to solve the General Fund’s structural deficit or were otherwise determined to be infeasible given the City’s current operating environment. City leaders would be encouraged to pursue these strategies, especially if the strategies incorporated in a proposed fiscal sustainability plan were not able to be implemented.

*Table 22. Other Budget Strategies Identified but Deemed to have Low Fiscal Impact or Otherwise Infeasible*

Strategy Title and Description	Comments
<b>Expenditure Controls/Cost Shifts</b>	
Reduce/eliminate health benefits for part-time employees	Impacts eight part-time employees citywide, potential annual savings would be less than \$50,000.
Reorganize parks/open space maintenance to report to Public Works	No significant savings would be generated as span of control for management/supervisory staff would increase from existing ratios that already exceed 8-to-1.
Shift costs of sports field maintenance to sports organizations	Fiscal impact anticipated to be less than \$50,000 annually. Potentially significant pushback from community. Cost recovery should be studied (see Revenue Enhancements section in Attachment A).
Shift cost burden of maintain overgrown vegetation in the right-of-way on private property owners	Current incremental costs are less than \$50,000 annually. Would require possible ordinance change. Could possibly increase code compliance efforts and costs.
Charge third-party event sponsors for in-kind services (e.g., traffic management, barrier placement, etc)	Fiscal impact anticipated to be less than \$25,000 annually. Cost recovery should be studied (see Revenue Enhancements section in Attachment A).
Develop long-term lease agreement for City Hall and move City operations into commercial leased space.	Finding another facility to lease at lower cost than City Hall facility could be leased would be unlikely.
Reduce City Council compensation	Current cost in total is \$20,000 per year. City Council is already lowest paid in King County. Could not realistically go into effect until after the next election.
<b>Service Delivery Changes</b>	
Share/contract transportation planning services with other agencies	Bellevue and Redmond would be the only two likely contracting agencies. No reported capacity for each agency, and their cost of service delivery is higher than Mercer Island. Potential savings, if any, would be minimal.



Strategy Title and Description	Comments
Outsource IT help desk services to private service providers	Cost efficiencies based on current service level and in light of elimination of one help desk technician in Staff Recommended strategies would likely yield little or no additional savings given high cost of IT services from private enterprise. See Service Level Reduction strategies in Attachment A.
Contract municipal court services to another agency	Providing effective court services would require geographic proximity. King County, Kirkland and Issaquah are only other possible options. Capacity with existing facilities and staffing in other agencies is not currently available. Cost structure of those other agencies might likely increase costs of services. Further analysis would be required to determine viability.
Outsource human resources administration	Would require that labor relations/bargaining, recruitment, promotional testing, HR investigations/performance management and benefits administration to be contracted to private parties/consultants or other agencies. Potential cost for contracting out may likely exceed current costs of the two existing full-time employees handling all duties.
Partner with other agencies/non-profits for economic development initiatives.	Current city investment in economic development is low. This would be a service level enhancement. Land-use availability to increase potential retail is minimal. Feasibility to have significant fiscal impact is impaired.
Implement cloud-based network infrastructure services to eliminate fiber optics infrastructure	Current fiber-optic infrastructure project approved by City Council allows for discounted cost of implementation as part of sewer main project by King County. Ongoing lease costs with other high-speed bandwidth providers versus city-owned fiber-optic would need to be evaluated. In our experience, fiber optic installation as part of a larger infrastructure project is typically lower cost than leasing services from third-party providers long-term.
Insource library services from King County Library System to city operated library	In our experience, city-owned library services are more expensive to operate than regional library systems given significant investment in lending assets, information systems, and facilities. Interlibrary agreements (ILA) at a cost to the City would need to be maintained to allow residents to obtain books from other jurisdictions without having to go to those libraries. Existing taxing structure to King County would need to be repealed and replaced with a City parcel tax. Detailed analysis would be required, including interest in King County Library to enter into an ILA.
<b>Revenue Enhancements</b>	
Increase fees for transportation benefit district from \$20 to \$40	No current or future impact on the General Fund.
Increase fees for facility use, special events, and recreation programs/summer camps	As a discrete strategy, potential fiscal impact would be less than \$50,000. Cost recovery should be studied (see Revenue Enhancements section in Attachment A).
Increase business license fees	Current business license fees total \$103,000 and are at par with other local agencies. Fiscal impact would not generate significant additional revenues, but any increase would add to General Fund resources.
Increase municipal court fees for concession hearings	Viable strategy, but increases would likely only generate less than \$10,000 annually.





Strategy Title and Description	Comments
Increase billing for emergency medical (basic life support) services to third-party insurance providers	Potential increase would be less than \$50,000 annually, and may require collection agency involvement to enforce collection that would reduce potential revenue enhancements.
Increase technology fee on building permits from 3% to 5%	Increase would help with building permit tracking system maintenance/replacement costs, but a 2% increase in the rate of the fee would likely yield less than \$40,000 annually.
Charge parking fee at select parks	Luther Burbank Park and Island Crest Park would be the two parks with the greatest potential. However, parking fees net of collection equipment (e.g., kiosks) and enforcement would likely be less than \$50,000 annually and would likely be met with significant public resistance.
<b>Service Level Reductions</b>	
Reduce open space maintenance to focus on invasive vegetation maintenance	No current impact on the General Fund as costs are covered by REET funds.
Reduce sustainability support services to focus on legally mandated requirements	Current position is dedicated 40% to sustainability efforts, and 62.5% of that is funded by Utilities. Cost savings would be less than \$30,000.
Eliminate city-sponsored neighborhood watch events	Current costs are less than \$10,000 annually.
Eliminate hospitality funding for Council meetings	Current costs are less than \$10,000 annually.
Eliminate or consolidate commissions except for those that are legally required (e.g., planning commission, civil service commission, disability board)	Current costs that could be avoided would be less than \$50,000 annually.
Reduce/eliminate travel and training costs and professional membership organizations	Current total costs for these two categories that are not otherwise contractually/legally required total less than \$50,000. Impact on recruitment and retention would need to be considered, as well as benefits derived from involvement in training and professional organizations.



## Appendix 1 – City Council Approved Net Service Reductions in the 2019-2020 Final Budget

### Council Approved Net Service Reductions by Fund 2019-2020 Final Budget

**Summary**

Fund	2019	2020	Total
<b>General Fund:</b>			
Total Service Reductions	-\$459,465	-\$734,042	-\$1,193,507
Plus Police Public Records Support (0.5 FTE)	\$61,572	\$64,058	\$125,630
<b>Youth &amp; Family Services Fund:</b>			
Total Service Reductions	-\$154,005	-\$280,812	-\$434,817
Plus Reduction in Annual Funding from General Fund for YFS Dept	\$46,000	\$91,000	\$137,000
<b>Net Service Reductions</b>	<b>-\$505,898</b>	<b>-\$859,796</b>	<b>-\$1,365,694</b>
<b>2019-2020 Net FTE Reductions</b>	<b>4.33*</b>	<b>1.83</b>	<b>6.16</b>

\* Includes GIS Technician (1.0 contract FTE) which is accounted for in the CIP

**General Fund**

Department	2019	2020	Mandatory, Essential or Discretionary
<b>Fire:</b>			
Eliminate Deputy Fire Chief (1.0 FTE)		-\$215,030	Essential
<b>Non-Departmental:</b>			
Reduce ARCH Contributions	-\$46,000	-\$46,000	Discretionary
Reduce Annual Funding for YFS Dept (funding source for restoring Patrol Officer)	-\$46,000	-\$91,000	Discretionary
<b>Parks &amp; Recreation:</b>			
Reduce Luther Burbank Park & Groveland Beach Lifeguards	-\$46,000	-\$46,000	Discretionary
Reduce MICEC Customer Service/Operating Hours (net of MICEC rental fee loss)	-\$34,332	-\$42,350	Discretionary
Reduce Annual Funding for MICEC Technology and Equipment	-\$22,000	-\$22,000	Discretionary
Eliminate Special Events Coordinator (1.0 FTE), Special Events, & Town Center Holiday Lights	-\$133,536	-\$137,705	Discretionary
Eliminate Recreation Specialist (1.0 FTE, funding source for restoring Patrol Officer)	-\$81,597	-\$83,957	Discretionary
<b>Public Works:</b>			
Reduce Town Center Beautification and Farmers Market Support	-\$50,000	-\$50,000	Discretionary
<b>Total Service Reductions</b>	<b>-\$459,465</b>	<b>-\$734,042</b>	
Plus Police Public Records Support (0.5 FTE)	\$61,572	\$64,058	Mandatory
<b>Net Service Reductions</b>	<b>-\$397,893</b>	<b>-\$669,984</b>	

**Youth & Family Services Fund**

Department	2019	2020	Mandatory, Essential or Discretionary
<b>Youth &amp; Family Services:</b>			
Reduce Geriatric Specialist by 0.50 FTE (net of Foundation donation reduction)	-\$47,799	-\$49,162	Discretionary
Reduce Administrative Support by 0.50 FTE (net of Foundation donation reduction)	-\$29,628	-\$30,498	Discretionary
Reduce Elementary School Counselors by 0.83 FTE in 9/2019-12/2019 & 0.83 FTE in 9/2020-12/2020 (net of Foundation donation reduction)	-\$30,578	-\$110,152	Discretionary
Reduce Interfund Transfer to Capital Improvement Fund for Thrift Shop Repairs (this was necessary to reduce annual funding for YFS Dept, which is noted above)	-\$46,000	-\$91,000	Discretionary
<b>Total Service Reductions</b>	<b>-\$154,005</b>	<b>-\$280,812</b>	
Plus Reduction in Annual Funding from General Fund for YFS Dept	\$46,000	\$91,000	
<b>Net Service Reductions</b>	<b>-\$108,005</b>	<b>-\$189,812</b>	

Source: City Council Planning Session, "Fiscal Sustainability in 2019-2020 and Beyond", February 1, 2019



## Appendix 2 – Staff Proposed General Fund Budget Strategies for the 2019-2020 Budget

### Deficit Spending Reductions to 2019-2020 Adopted Budget (General Fund Only) Approved by City Council on April 2, 2019

Proposed Deficit Spending Reductions by Department	2019			2020		
	Expenditure Reductions	Revenue Reductions	New Revenues	Expenditure Reductions	Revenue Reductions	New Revenues
<b>City Council/City Manager's Office</b>						
Reduce Sister City Support in 2020				(6,000)		
Eliminate Senior Project Manager in 2020 (0.58 FTE)				(28,732)		
<b>Community Planning &amp; Development</b>						
Adjusted land use fees to 80% cost recovery level in 2019			60,000			60,000
Combine 2 half-time Code Compliance positions into 1.0 FTE	(4,311)			(4,089)		
<b>Finance</b>						
Department reorganization	(12,000)			(20,000)		
Increase parking permit fees from \$5/yr to \$30/yr in 2020						18,535
<b>Fire</b>						
Restore Deputy Fire Chief (1.0 FTE) cut in adopted budget				215,030		
<b>Human Resources</b>						
Reduce employee service awards				(3,500)		
<b>Information &amp; Geographic Services</b>						
Eliminate IGS Helpdesk Technician (1.0 FTE)	(78,856)			(78,405)		
Reclassify IGS Director to IGS Manager	(46,800)			(39,000)		
<b>Parks &amp; Recreation</b>						
Eliminate Summer Celebration	(93,500)	(25,000)		(93,500)	(25,000)	
Eliminate Parks Maintenance overtime related to SC!	(23,046)			(23,046)		
Eliminate Community Camp Out	(3,325)	(1,900)		(3,325)	(1,900)	
Eliminate Leap for Green	(1,200)			(1,200)		
Eliminate All-Island Track Meet	(2,500)			(2,500)		
Reduce MICEC customer service (casual labor)	(24,668)			(13,719)		
Eliminate MICEC Reservations Specialist (1.0 FTE) & increase casual labor by \$32K/yr	(45,793)			(48,051)		
<b>Police</b>						
Eliminate special events overtime	(30,000)			(30,000)		
<b>Public Works</b>						
Eliminate ROW Team overtime related to SC!	(1,185)			(1,185)		
Eliminate Christmas tree recycling by ROW Team (now covered by Recology contract)	(5,000)			(5,000)		
Reduce City building repair & maintenance	(10,000)			(10,000)		

Source: City Council Regular Meeting Agenda, AB5545, April 2, 2019



**Deficit Spending Reductions to 2019-2020 Adopted Budget (General Fund Only)  
Approved by City Council on April 2, 2019**

Proposed Deficit Spending Reductions by Department	2019			2020		
	Expenditure Reductions	Revenue Reductions	New Revenues	Expenditure Reductions	Revenue Reductions	New Revenues
<b>Citywide/Non-Departmental</b>						
Eliminate pay-for-performance in 2020				(313,708)		
Eliminate General Fund support of YFS in 2020				(309,000)		
Phase out Chamber of Commerce support beginning 2020				(7,200)		
Eliminate Mountains to Sound Greenway support in 2020				(10,000)		
Reduce miscellaneous professional services	(12,500)			(25,000)		
<b>Total General Fund</b>	<b>(394,684)</b>	<b>(26,900)</b>	<b>60,000</b>	<b>(861,130)</b>	<b>(26,900)</b>	<b>78,535</b>

**Other resource options include:**

- 1) Utilize collections for unpaid ambulance transport fees (\$40K/yr).
- 2) Increase annual business license fee from \$30 to \$50 (\$65K/yr).
- 3) Increase B&O tax rate from 0.10% to 0.15% (\$325K/yr).
- 4) Increase utility tax rate on City's utilities (1% tax rate = \$195K/yr).

<b>427,784</b>	<b>Total deficit spending reductions in 2019</b>	<b>(427,784)</b>
	<b>Total deficit spending reductions in 2020</b>	<b>(912,765)</b>
	<b>Total deficit spending reductions in 2019-2020</b>	<b>(1,340,549)</b>
	<b>2019-2020 total reduction target per Council</b>	<b>(1,200,000)</b>
	<b>Total FTE reductions</b>	<b>(1.58)</b>

Source: City Council Regular Meeting Agenda, AB5545, April 2, 2019





# PLANNING SCHEDULE

Please email the City Manager & City Clerk when an agenda item is added, moved, or removed.

Special Meetings and Study Sessions begin at 6:00 pm. Regular Meetings begin at 7:00 pm. Items are not listed in any particular order. Agenda items & meeting dates are subject to change.

APRIL 16		DUE TO:	4/5 D/P	4/8 FN	4/8 CA	4/9 Clerk
ABSENCES:						
ITEM TYPE   TIME   TOPIC				STAFF	SIGNER	
<b>EXECUTIVE SESSION (5:00-6:00 pm)</b>						
60	To discuss pending or potential litigation with legal counsel pursuant to RCW 42.30.110(1)(i) for approximately 60 minutes.					
<b>STUDY SESSION (6:00-7:00 pm)</b>						
60	AB 5551: Proposed Commuter Parking and Mixed-Use Project Update			Julie Underwood		
<b>SPECIAL BUSINESS (7:00 pm)</b>						
15	AB 5555: National Education and Sharing Day Proclamation			Julie Underwood		
<b>REGULAR BUSINESS</b>						
180	AB 5552: Fiscal Sustainability Plan: Review Financial Forecast, Budget Strategies, Recommendations, and Public Engagement Plan			Julie Underwood		
<b>EXECUTIVE SESSION</b>						
30	Executive Session for that portion of a meeting during which the governing body is planning or adopting the strategy or position to be taken by the governing body during the course of any collective bargaining while in progress pursuant to RCW 42.30.140(4)(a) for approximately 30 minutes.					

APRIL 25 – 4:45-5:45 PM (SPECIAL MEETING)						
LEGAL: Published 4/17						
Special Joint Meeting with MISD Board (Council Chambers)						

APRIL 30 – 6:00-8:30 PM (SPECIAL MEETING)		DUE TO:	4/19 D/P	4/22 FN	4/22 CA	4/23 Clerk
LEGAL: Published 4/17 ABSENCES:						
ITEM TYPE   TIME   TOPIC				STAFF	SIGNER	
<b>EXECUTIVE SESSION (5:00-6:00 pm)</b>						
30	To discuss pending or potential litigation with legal counsel pursuant to RCW 42.30.110(1)(i) for approximately 30 minutes.					
<b>STUDY SESSION (6:00-7:00 pm)</b>						
60	AB 5547: Mercer Island Transit Interchange Report			Kirsten Taylor		
<b>SPECIAL BUSINESS (7:00 pm)</b>						
60	AB 5553: Youth & Family Services Fund and 2019-2020 Department Funding Adjustments			Cindy Goodwin		
30	AB 5554: Code Cleanup – First Reading			Evan Maxim		

MAY 7		DUE TO:	4/26 D/P	4/29 FN	4/29 CA	4/30 Clerk
ABSENCES:						
ITEM TYPE   TIME   TOPIC				STAFF	SIGNER	
<b>STUDY SESSION (6:00-7:00 pm)</b>						
60	AB xxxx: ARCH Overview			Julie Underwood		

<b>SPECIAL BUSINESS (7:00 pm)</b>			
10	AB xxxx: Building Safety Month Proclamation	Don Cole	
<b>CONSENT CALENDAR</b>			
--	AB xxxx: Soil Remediation Appropriation Request	Jason Kintner	
--	AB xxxx: Mercer Island Transit Interchange	Kirsten Taylor	
--	AB xxxx: 2019 Arterial and Residential Street Overlays Bid Award	Clint Morris	
<b>PUBLIC HEARING</b>			
90	AB xxxx: Public Hearing: Preview of 6-Year Transportation Improvement Program	Patrick Yamashita	
<b>REGULAR BUSINESS</b>			
30	AB xxxx: Fourth Quarter 2018 Financial Status Report & 2019-2020 Budget Adjustments	Chip Corder	
60	AB xxxx: Critical Areas Ordinance – First Reading	Evan Maxim	
<b>EXECUTIVE SESSION</b>			
	To discuss pending or potential litigation with legal counsel pursuant to RCW 42.30.110(1)(i)		

<b>MAY 21</b>		<b>DUE</b>	<b>5/10</b>	<b>5/13</b>	<b>5/13</b>	<b>5/14</b>
ABSENCES:		<b>TO:</b>	<b>D/P</b>	<b>FN</b>	<b>CA</b>	<b>Clerk</b>
<b>ITEM TYPE   TIME   TOPIC</b>				<b>STAFF</b>		<b>SIGNER</b>
<b>STUDY SESSION (6:00-7:00 pm)</b>						
60	HOLD for Commuter Parking Project					
<b>SPECIAL BUSINESS (7:00 pm)</b>						
5	AB xxxx: Safe Boating and Paddling Week Proclamation			Ed Holmes		
<b>CONSENT CALENDAR</b>						
<b>PUBLIC HEARING</b>						
<b>REGULAR BUSINESS</b>						
15	AB xxxx: ARCH Work Program, Budget, and Trust Fund Approval			Alison Van Gorp		
15	AB xxxx: First Quarter 2019 Financial Status Report & 2019-2020 Budget Adjustments			Chip Corder		
45	AB xxxx: Critical Areas Ordinance – Second Reading & Adoption (tentative)			Evan Maxim		
30	AB xxxx: Code Cleanup – Second Reading and Adoption			Evan Maxim		
<b>EXECUTIVE SESSION</b>						

<b>JUNE 4</b>		<b>DUE</b>	<b>5/24</b>	<b>5/27</b>	<b>5/27</b>	<b>5/28</b>
ABSENCES:		<b>TO:</b>	<b>D/P</b>	<b>FN</b>	<b>CA</b>	<b>Clerk</b>
<b>ITEM TYPE   TIME   TOPIC</b>				<b>STAFF</b>		<b>SIGNER</b>
<b>STUDY SESSION (6:00-7:00 pm)</b>						
60	AB xxxx: Aubrey Davis Park Master Plan Concept Alternatives			Paul West		

<b>SPECIAL BUSINESS (7:00 pm)</b>			
<b>CONSENT CALENDAR</b>			
<b>PUBLIC HEARING</b>			
90	AB xxxx: Interim Design and Concealment Standards for Small Cell Facilities Deployment Ordinance – Extension	Evan Maxim	
<b>REGULAR BUSINESS</b>			
45	AB xxxx: Adoption of 6-Year Transportation Improvement Program	Patrick Yamashita	
15	AB xxxx: 2019 Boards and Commission Appointments	Deb Estrada	
	<b>HOLD for Fiscal Sustainability Plan Follow-Up</b>		
<b>EXECUTIVE SESSION</b>			

<b>JUNE 18</b>		<b>DUE TO:</b>	<b>6/7 D/P</b>	<b>6/10 FN</b>	<b>6/10 CA</b>	<b>6/11 Clerk</b>
<b>ABSENCES:</b>						
<b>ITEM TYPE   TIME   TOPIC</b>				<b>STAFF</b>		<b>SIGNER</b>
<b>STUDY SESSION (6:00-7:00 pm)</b>						
60	AB xxxx: Sound Transit Park-and-Ride Parking Permit Program			Kirsten Taylor		Ali
<b>SPECIAL BUSINESS (7:00 pm)</b>						
<b>CONSENT CALENDAR</b>						
<b>REGULAR BUSINESS</b>						
120	AB xxxx: Community Facilities Code Amendment – First Reading & Handoff (tentative)			Evan Maxim		
60	<b>HOLD for Commuter Parking Project</b>					
<b>EXECUTIVE SESSION</b>						

<b>JUNE 21 MID-YEAR PLANNING SESSION</b>		<b>DUE TO:</b>	<b>6/7 D/P</b>	<b>6/10 FN</b>	<b>6/10 CA</b>	<b>6/11 Clerk</b>
<b>ABSENCES:</b>						
	<b>1:00-8:00 pm at MICEC</b>					

<b>JULY 2 - CANCELED</b>						
<b>LEGAL: To be scheduled</b>						
	<b>CANCELED</b>					

<b>JULY 16</b>		<b>DUE TO:</b>	<b>7/5 D/P</b>	<b>7/8 FN</b>	<b>7/8 CA</b>	<b>7/9 Clerk</b>
<b>ABSENCES:</b>						
<b>ITEM TYPE   TIME   TOPIC</b>				<b>STAFF</b>		<b>SIGNER</b>
<b>STUDY SESSION (6:00-7:00 pm)</b>						

<b>SPECIAL BUSINESS (7:00 pm)</b>		
AB xxxx: Parks & Recreation Month Proclamation	Jessi Bon	
<b>CONSENT CALENDAR</b>		
<b>PUBLIC HEARING</b>		
<b>REGULAR BUSINESS</b>		
60 AB xxxx: Community Facilities Code Amendment – Second Reading & Adoption	Evan Maxim	
<b>EXECUTIVE SESSION</b>		

<b>JULY 17 – TBD (SPECIAL MEETING)</b>		
LEGAL:		
Special Joint Meeting with Planning Commission		

<b>AUGUST 6</b>	DUE	7/26	7/29	7/29	7/30
ABSENCES:	TO:	D/P	FN	CA	Clerk
<b>ITEM TYPE   TIME   TOPIC</b>	<b>STAFF</b>		<b>SIGNER</b>		
<b>STUDY SESSION (6:00-7:00 pm)</b>					
<b>SPECIAL BUSINESS (7:00 pm)</b>					
Women’s Equality Day Proclamation					
<b>CONSENT CALENDAR</b>					
<b>PUBLIC HEARING</b>					
<b>REGULAR BUSINESS</b>					
<b>EXECUTIVE SESSION</b>					

<b>AUGUST 20</b>	DUE	8/9	8/12	8/12	8/13
ABSENCES:	TO:	D/P	FN	CA	Clerk
<b>ITEM TYPE   TIME   TOPIC</b>	<b>STAFF</b>		<b>SIGNER</b>		
<b>STUDY SESSION (6:00-7:00 pm)</b>					
<b>SPECIAL BUSINESS (7:00 pm)</b>					
<b>CONSENT CALENDAR</b>					



<b>PUBLIC HEARING</b>			
<b>REGULAR BUSINESS</b>			
<b>EXECUTIVE SESSION</b>			

<b>SEPTEMBER 3 – CANCEL??</b>		<b>DUE TO:</b>	<b>8/23 D/P</b>	<b>8/26 FN</b>	<b>8/26 CA</b>	<b>8/27 Clerk</b>
<b>ITEM TYPE   TIME   TOPIC</b>		<b>STAFF</b>			<b>SIGNER</b>	
<b>ABSENCES:</b>						
<b>STUDY SESSION (6:00-7:00 pm)</b>						
<b>60</b>	<b>HOLD for Commuter Parking Project</b>					
<b>SPECIAL BUSINESS (7:00 pm)</b>						
5	Mayor’s Day of Concern for the Hungry Proclamation			Cindy Goodwin	Ali	
5	National Preparedness Month			Jennifer Franklin	Ali	
<b>CONSENT CALENDAR</b>						
<b>PUBLIC HEARING</b>						
<b>REGULAR BUSINESS</b>						
45	Second Quarter 2019 Financial Status Report & 2019-2020 Budget Adjustments			Chip Corder	Ali	
<b>EXECUTIVE SESSION</b>						

<b>SEPTEMBER 17</b>		<b>DUE TO:</b>	<b>9/6 D/P</b>	<b>9/9 FN</b>	<b>9/9 CA</b>	<b>9/10 Clerk</b>
<b>ITEM TYPE   TIME   TOPIC</b>		<b>STAFF</b>			<b>SIGNER</b>	
<b>ABSENCES:</b>						
<b>STUDY SESSION (6:00-7:00 pm)</b>						
<b>SPECIAL BUSINESS (7:00 pm)</b>						
5	National Recovery Month Proclamation			Derek Franklin	Ali	
5	Peace Day on Mercer Island Proclamation			Diane Mortenson	Ali	
<b>CONSENT CALENDAR</b>						
<b>PUBLIC HEARING</b>						
<b>REGULAR BUSINESS</b>						
<b>60</b>	<b>HOLD for Commuter Parking Project</b>					

AB xxx: Q3 Sustainability Update [Placeholder]		
<b>EXECUTIVE SESSION</b>		

<b>OCTOBER 1</b>		<b>DUE TO:</b>	<b>9/20 D/P</b>	<b>9/23 FN</b>	<b>9/23 CA</b>	<b>9/24 Clerk</b>
<b>ABSENCES:</b>						
<b>ITEM TYPE   TIME   TOPIC</b>				<b>STAFF</b>		<b>SIGNER</b>
<b>STUDY SESSION (6:00-7:00 pm)</b>						
<b>SPECIAL BUSINESS (7:00 pm)</b>						
5	Domestic Violence Action Month Proclamation			Derek Franklin		Ali
5	National Community Planning Month			Evan Maxim		Ali
<b>CONSENT CALENDAR</b>						
<b>PUBLIC HEARING</b>						
<b>REGULAR BUSINESS</b>						
<b>EXECUTIVE SESSION</b>						

<b>OCTOBER 15</b>		<b>DUE TO:</b>	<b>10/4 D/P</b>	<b>10/7 FN</b>	<b>10/7 CA</b>	<b>10/8 Clerk</b>
<b>ABSENCES:</b>						
<b>ITEM TYPE   TIME   TOPIC</b>				<b>STAFF</b>		<b>SIGNER</b>
<b>STUDY SESSION (6:00-7:00 pm)</b>						
<b>SPECIAL BUSINESS (7:00 pm)</b>						
<b>CONSENT CALENDAR</b>						
<b>PUBLIC HEARING</b>						
<b>REGULAR BUSINESS</b>						
60	2019 Comprehensive Plan Amendments – First Reading			Evan Maxim		
<b>EXECUTIVE SESSION</b>						

<b>NOVEMBER 5 (ELECTION DAY – TBD)</b>		<b>DUE TO:</b>	<b>10/25 D/P</b>	<b>10/28 FN</b>	<b>10/28 CA</b>	<b>10/29 Clerk</b>
<b>ABSENCES:</b>						

ITEM TYPE   TIME   TOPIC	STAFF	SIGNER
<b>STUDY SESSION (6:00-7:00 pm)</b>		
<b>SPECIAL BUSINESS (7:00 pm)</b>		
Veteran's Day Proclamation	Ali Spietz	Julie
<b>CONSENT CALENDAR</b>		
2019 Comprehensive Plan Amendments – Second Reading	Evan Maxim	
<b>PUBLIC HEARING</b>		
<b>REGULAR BUSINESS</b>		
2020 Comprehensive Plan Amendment Docket	Evan Maxim	
<b>EXECUTIVE SESSION</b>		

NOVEMBER 19 ABSENCES:	DUE TO:	11/8 D/P	11/11 FN	11/11 CA	11/12 Clerk
<b>ITEM TYPE   TIME   TOPIC</b>			<b>STAFF</b>		<b>SIGNER</b>
<b>STUDY SESSION (6:00-7:00 pm)</b>					
<b>SPECIAL BUSINESS (7:00 pm)</b>					
<b>CONSENT CALENDAR</b>					
<b>PUBLIC HEARING</b>					
60	2019-2020 Mid-Biennial Budget Review (Third Quarter 2019 Financial Status Report & 2019-2020 Budget Adjustments; NORCOM 2020 budget resolution; 2020 utility rate resolutions; and 2020 property tax ordinances)			Chip Corder	
<b>REGULAR BUSINESS</b>					
<b>EXECUTIVE SESSION</b>					

DECEMBER 3 ABSENCES:	DUE TO:	11/22 D/P	11/25 FN	11/25 CA	11/26 Clerk
<b>ITEM TYPE   TIME   TOPIC</b>			<b>STAFF</b>		<b>SIGNER</b>
<b>STUDY SESSION (6:00-7:00 pm)</b>					
<b>SPECIAL BUSINESS (7:00 pm)</b>					
<b>CONSENT CALENDAR</b>					

<b>PUBLIC HEARING</b>			
<b>REGULAR BUSINESS</b>			
<b>EXECUTIVE SESSION</b>			

<b>DECEMBER 17</b>		<b>DUE TO:</b>	<b>12/6 D/P</b>	<b>12/9 FN</b>	<b>12/9 CA</b>	<b>12/10 Clerk</b>
<b>ABSENCES:</b>						
<b>ITEM TYPE   TIME   TOPIC</b>			<b>STAFF</b>		<b>SIGNER</b>	
<b>STUDY SESSION (6:00-7:00 pm)</b>						
<b>SPECIAL BUSINESS (7:00 pm)</b>						
<b>CONSENT CALENDAR</b>						
<b>PUBLIC HEARING</b>						
<b>REGULAR BUSINESS</b>						
<b>EXECUTIVE SESSION</b>						

**OTHER ITEMS TO BE SCHEDULED:**

- Parks Waterfront Structures Long-Term Planning – P. West
- Land Conservation Work Plan Update – A. Sommargren
- Open Space Vegetation Management – A. Sommargren
- 
- Comprehensive Mobility Plan (ST Settlement) – K. Taylor
- Sound Transit Park-and-Ride Parking Permit Program – K. Taylor

**STATE/REGIONAL ISSUES:**

- 2019 State Legislative Session Recap
- Initiative 976
- Vision 2050
- 
- King County Conservation District Work Plan and Budget (move from Other Items to be Scheduled)
- King County Parks Levy Renewal
- King County Medic One/EMS Levy Renewal

**MISD BOARD JOINT MEETING DATES:**

- Thursday, April 25, 2019

## **ANNUAL (ROUTINE) ITEMS:**

### **Council/City Manager:**

- Legislative Agenda (Q3 & Q4)
- City Council Annual Planning Session (Q1)
- Adoption of City Council Goals (Q2)
- Mini-Planning Session (Q2)
- Sustainability Update (Q1 & Q3)
- Boards & Commissions Annual Appointments (Q2)

### **Community Planning and Development:**

- ARCH Budget and Work Program (Q1)
- ARCH Trust Fund Recommendations (Q1)
- Comprehensive Plan Amendments (Q4)
- Comprehensive Plan Docket (Q4)

### **Finance/Budget:**

- Every Year:
  - General Fund & REET Surplus Disposition (Q2)
  - 4th Quarter Financial Status Report & Budget Adjustments (Q2)
  - 1st Quarter Financial Status Report & Budget Adjustments (Q2)
  - 2nd Quarter Financial Status Report & Budget Adjustments (Q3)
  - 3rd Quarter Financial Status Report & Budget Adjustments (Q4)
- Odd Years:
  - Mid-Biennial Budget Review (3rd Quarter Financial Status Report & Budget Adjustments, Utility Rates, and Property Tax Levy) (Nov Mtg)
- Even Years:
  - Capital Improvement Program (CIP) Budget Kick-Off (2nd Mar Mtg)
  - Operating Budget Kick-Off (Mini-PS)
  - Proposed Budget: Presentation & Distribution (1st Oct Mtg)
  - Proposed Budget: Operating Budget Review (2nd Oct Mtg)
  - Proposed Budget: Capital Improvement Program Review (1st Nov Mtg)
  - Proposed Budget: Finalize Changes & Adopt Tax Ordinances and Fee Resolutions (2nd Nov Mtg)
  - Final Budget Adoption (1st Dec Mtg)

### **Fire Department:**

#### **Human Resources:**

- Police & Police Support Collective Bargaining Agreements
- Fire Collective Bargaining Agreement
- AFSCME Collective Bargaining Agreement

#### **Parks & Recreation:**

- Open Space Conservancy Trust Board Annual Report and Work Plan (Q2)

#### **Public Works:**

- Bid Awards & Project Close-Outs
- Public Hearing: Preview of 6-Year Transportation Improvement Program (Q2)
- Adoption of 6-Year Transportation Improvement Program (Q2)

#### **Youth & Family Services:**

- Interlocal Agreement with MISD for School Mental Health Counselors (Q3)

#### **Proclamations**

- Martin Luther King Jr. Day (1st Jan)
- Black History Month (1st Feb)
- Women’s History Month & International Women’s Day (1st Mar)
- Sexual Assault Awareness Month (1st Apr)
- Earth Day (2nd Apr)
- Volunteer Appreciation Week (2nd Apr)
- Building Safety Month (1st May)
- Safe Boating and Paddling Week (2nd May)
- Public Works Week (2nd May)
- Parks and Recreation Month! (1st Jul)
- Women’s Equality Day (1st Aug)
- National Recovery Month (1st Sep)
- National Preparedness Month (1st Sep)
- Mayor’s Day of Concern for the Hungry (1st Sep)
- Peace Day on Mercer Island (September 18)
- Domestic Violence Action Month (1st Oct)
- National Community Planning Month (1st Oct)
- Veteran’s Day (1st Nov)