



# Section D

## Operating Budget by Department



**2025-2026  
FINAL BUDGET**



## Section D. Operating Budget by Department

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# OPERATING BUDGET BY DEPARTMENT

This section breaks down all the City's operations by department:

- Administrative Services
- City Attorney's Office
- City Council
- City Manager's Office
- Community Planning & Development
- Finance
- Fire & Emergency Services
- Municipal Court
- Non-Departmental
- Police
- Public Works
  - Recreation Division
- Youth & Family Services
  - Thrift Shop

Each department sub-section is organized as follows:

- **Department Introduction and Description:** Includes description and organizational chart by function.
- **Operating Expenditures:** Depicts expenditures for the department by functions, showing the comparison and percentage change between current and future biennia.
- **Work Plan:** Each department has established recommended work plan goals for the 2025-2026 biennium that include specific action items and deadlines where appropriate.
- **Revenue & Expenditure Summary:** Depicts revenues and expenditures for the entire department by categories, showing the comparison and percentage change between current and future biennia.

# ADMINISTRATIVE SERVICES

The Administrative Services Department acts as strategic partners to other City departments to provide support in the following areas:

- **Centralized Customer Service:** Provide excellent citywide customer service by phone, email, and in-person.
- **Human Resources:** Plan, organize, develop, and administer uniform Human Resources policies, procedures, and programs.
- **Payroll Services:** Process the City's payroll and issue checks to employees and payment transmittals to various employee benefits vendors, the state, and federal government agencies.
- **Public Communications:** Plan, organize, and supervise the City's community outreach efforts and media relations to educate residents and encourage informed input from Mercer Island residents.
- **City Clerk:** Fulfill the state legal requirements of the City Clerk position, support the City Council and City Manager, and manage essential records.
- **Information Technology:** Procure, implement, maintain, secure, and support all information and technology infrastructure, systems, and software that enables City service delivery to the public.
- **Geographic Information System (GIS):** Maintain geographical inventory of all City infrastructure (over 500 separate layers relating to real property, streets, water, sewer, stormwater, and more) within a geographical information system (GIS).
- **City Website Administration:** Maintain and the City's website and intranet for an enhanced online presence.
- **Risk Management:** Review opportunities for efficiencies and reductions in risk-based insurance costs.
- **Public Defense Services:** Manage contracts for public defense services in criminal misdemeanor citations cases where a criminal defendant cannot afford an attorney.



**Operating Expenditures**

Department Function	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
Admin & Customer Service	614,657	483,807	668,806	712,416	38.2%	6.5%
Human Resources & Payroll	842,327	861,493	874,188	900,046	1.5%	3.0%
Information Technology	1,021,366	1,063,288	1,238,579	1,312,585	16.5%	6.0%
Geographic Information Systems	395,627	414,571	430,339	451,862	3.8%	5.0%
City Clerk	114,686	403,344	269,270	300,935	-33.2%	11.8%
Communications	155,799	214,330	265,865	299,749	24.0%	12.7%
<b>Total</b>	<b>3,144,462</b>	<b>3,440,833</b>	<b>3,747,047</b>	<b>3,977,593</b>	<b>8.9%</b>	<b>6.2%</b>

**2025-2026 Work Plan**

1. **Goal: Coordinate and oversee the internal and support services teams for the City of Mercer Island.**
  - 1.1 Work with the City Manager's Office and the Finance Department to develop the 2027-2028 budget recommendation.
  - 1.2 Review and update citywide policies (Purchasing Policies, and Expense and Travel Policy).
  - 1.3 Review and update the Mercer Island City Code for outdated and obsolete references. This work is ongoing.
  - 1.4 Administer contracts for public defense services.
2. **Goal: Provide a single and centralized customer service experience for Mercer Island residents, businesses, and visitors to access City services.**
  - 2.1 Maintain customer relationship management (CRM) software to track and manage customer interactions.
  - 2.2 Track progress through data collection of calls and emails and establish performance objectives. Hold weekly interdepartmental training opportunities to increase response without forwarding to departments percentages by 1-3% over prior year.
  - 2.3 Provide citywide support for special projects and routine records maintenance.
  - 2.4 Meet with work teams and communications staff in advance of major Citywide projects to prepare tools for customer service use and community response.
  - 2.5 Collaborate with the City Manager's Office, IT, and other stakeholders to evaluate and plan for the implementation of AI tools to enhance customer service efficiency and interaction.
3. **Goal: Administer uniform Human Resources policies, procedures, and programs and process the payroll for all City employees.**
  - 3.1 Implement semi-monthly payroll schedule and process by Q2 2025.
  - 3.2 Research recruiting and hiring module in ADP software. If the module meets City needs, prepare a budget proposal for implementation consideration in 2026.
  - 3.3 Negotiate a successor collective bargaining agreement with the Police and Police Support bargaining groups for the years 2027 through 2029.

## Administrative Services

- 3.4 Negotiate a successor collective bargaining agreement with the AFSCME bargaining group for the years 2027 through 2029.
- 3.5 Develop and implement succession planning strategies including intentional hire ahead policies, retirement notification incentives, and planning for upcoming retirements for non-represented staff. This work is ongoing.
- 3.6 Administer citywide training programs and develop standardized supervisor training by Q1 2026.
- 3.7 Develop a comprehensive onboarding program for new employees. This work began in 2023-2024 and is in progress. Staff aim to complete the work by Q2 2025.
- 3.8 Create employee benefit statements to communicate the value of employees' total compensation package by Q4 2025.
- 3.9 Manage the citywide performance evaluation process and employee recognition and service award programs. This work is ongoing.
- 3.10 Review and digitize human resources and payroll records, identifying destruction and/or archival requirement. This work is ongoing.
- 4. Goal: Plan, organize, and supervise the City's community outreach efforts and media relations to educate residents and encourage informed input from the Mercer Island community.**
  - 4.1 Develop and manage communications plans and provide support or outreach/engagement management for other departments.
  - 4.2 Maintain range of communications platforms (website, Let's Talk, social media, MI Weekly, news releases, etc.).
  - 4.3 Develop, deploy, and ensure consistent branding across departments and materials.
  - 4.4 Oversee the City's website, adding news and calendar items, updating content, and designing new webpages as needed. Continue citywide partnerships and training to ensure department staff are regularly updating and monitoring website content.
  - 4.5 Collaborate with the City Manager's Office, IT, and others to evaluate the current website and Let's Talk platform for future integration with AI tools.
  - 4.6 Collaborate with Police and the City Manager's Office to develop a public awareness campaign, with the suggested title "See Something, Say Something – A Community Response to Shoplifting and Organized Retail Crime," aimed at educating the public on the impact of organized retail crime, encouraging safe reporting practices, and promoting community involvement in crime prevention by Q4 2025.
  - 4.7 Complete a digital accessibility audit to identify gaps in compliance with the new Department of Justice Rule on website and app accessibility. Use the outcomes of the audit to inform development of a compliance plan. Plan for and take action to implement requirements by the April 26, 2027 deadline.
  - 4.8 Conduct a biennial public opinion survey in 2026 to inform the 2027-2028 budget process; collaborate on promotion and assist with distribution and explanation of results.
- 5. Goal: Serve the public by striving for excellence in preparation of agendas and minutes of meetings and provide complete and accurate information while preserving the records of the City.**
  - 5.1 Coordinate City Council meeting agenda packet creation and distribution and assist with hybrid meeting management.
  - 5.2 Manage the City's municipal code and official City records including ordinances, resolutions, agreements, and minutes.

## Administrative Services

- 5.3 Provide administrative support to the City Manager, Chief of Administration, and City Council.
  - 5.4 Advertise, recruit, and fill vacancies for the City's boards and commissions. Update rosters, initiate and track Open Public Meetings Act (OPMA) and Public Records Act (PRA) training needs, ensure Code of Ethics training and compliance, and train support staff.
  - 5.5 Assist with processing public records requests.
  - 5.6 Provide training to employees regarding City Clerk and City Council policies and procedures, including Public Records Act training.
  - 5.7 Manage the digitization of City records including indexing, digitizing, preparing for destruction and/or long-term storage.
- 6. Goal: Provide excellent support and management of the City's technology, operations, and initiatives and the City's Geographic Information System and related products and services.**
- 6.1 Procure, implement, maintain, and support all information and technology infrastructure, systems, and software that enables City service delivery to the public.
  - 6.2 Mitigate and respond to cyber and information security risks, complete cyber security audits, and conduct ongoing training for all technology users (employees, volunteers, City Council, and boards and commissioners) on cyber and information security.
  - 6.3 Collaborate with the City Manager's Office on the comprehensive needs assessment to identify areas of City operations where AI can drive efficiency (e.g. data analysis, project tracking, report generation, language translation, and customer service). Complete by Q3 2026.
    - 6.3.1 Develop a training program for staff to enhance their understanding and effective use of AI tools.
    - 6.3.2 Create ongoing support resources, including FAQs, policies, user manuals, and a helpdesk for technical assistance.
    - 6.3.3 Identify pilot projects within key service areas to test AI applications. Gather feedback and assess outcomes to refine approaches before broader rollout. Implement a feedback loop for continuous improvement.
    - 6.3.4 Conduct an analysis of existing City software systems to evaluate the compatibility with AI tools under consideration for City use. Perform a gap analysis to determine what changes or upgrades are necessary to facilitate AI tool integration. Identify systems that may require replacement or significant upgrades to be compatible with AI technologies.
  - 6.4 Update data for interactive map services (WebGIS, Cityworks, ArcGIS Hub, GeoEvent, Image Server).
  - 6.5 Maintain and enhance mapping software (ESRI and VertiGIS) including procurement, licensing, and administration.
  - 6.6 Consult with staff on implementing projects approved in the Capital Improvement Plan and provide project management support when needed.
  - 6.7 Support citywide technology projects and business system upgrades:
    - 6.7.1 Assist the Finance Department with integration of the new enterprise-wide financial management software system.
    - 6.7.2 Assist the Public Work Department with integrating Cityworks (asset management system) with other City platforms.

## Administrative Services

- 6.7.3 Support the Police Department in the development of a recommendation/budget proposal to update the City’s digital evidence management system to allow for better storage, ease of indexing and retrieval, and the ability to interface with City operating systems by Q3 2026.
- 6.7.4 Support the Police Department’s recommendation/budget proposal to replace in-car camera systems with an updated system that integrates City operating systems by Q3 2026.
- 6.7.5 Collaborate with the Recreation Division to explore expand, upgrade, or replace the PerfectMind/Xplore Recreation booking software. Support development of a budget proposal for consideration as part of the 2027-2028 biennial budget.
- 6.8 Assist staff in identifying and prioritizing technology projects for the 2027-2028 biennium.

## Revenue & Expenditure Summary

Description	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
<b>Revenues:</b>						
Beginning Fund Balance	-	-	60,000	60,000	N/A	0.0%
Utility Fees	216,986	219,590	226,356	236,216	3.1%	4.4%
IT M&O Rate Charges	1,021,366	1,063,288	1,238,579	1,312,585	16.5%	6.0%
General Purpose Revenue	1,906,109	2,157,955	2,222,112	2,368,792	3.0%	6.6%
<b>Total Revenues</b>	<b>3,144,462</b>	<b>3,440,833</b>	<b>3,747,047</b>	<b>3,977,593</b>	<b>8.9%</b>	<b>6.2%</b>
<b>Expenditures:</b>						
Salaries & Wages	1,691,202	1,704,198	1,868,340	1,984,024	9.6%	6.2%
Benefits	520,921	665,493	705,204	760,950	6.0%	7.9%
Supplies	43,292	40,520	40,200	40,200	-0.8%	0.0%
Contractual Services	753,356	598,200	823,800	858,397	37.7%	4.2%
Communications	35,373	38,880	34,600	34,600	-11.0%	0.0%
Internal Service Charges	51,915	59,542	87,363	91,222	46.7%	4.4%
Other Services & Charges	30,501	319,000	161,540	182,200	-49.4%	12.8%
Intergovernmental Services	17,904	15,000	26,000	26,000	73.3%	0.0%
<b>Total Expenditures</b>	<b>3,144,462</b>	<b>3,440,833</b>	<b>3,747,047</b>	<b>3,977,593</b>	<b>8.9%</b>	<b>6.2%</b>



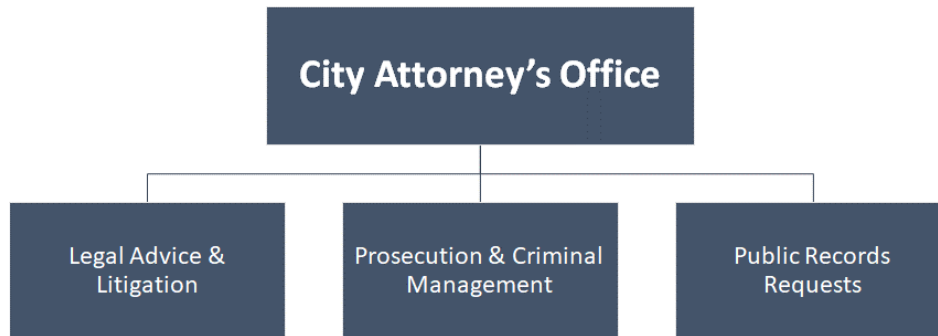
# CITY ATTORNEY'S OFFICE

The City Attorney's Office provides legal counsel and representation to the City Manager, City Council, City departments, and as needed to City Council-appointed boards and commissions.

The City Attorney represents the City in civil litigation and administrative hearings in the areas of tort defense, land use, personnel and labor, contract, and municipal law. The City Attorney's Office assists in the preparation of City ordinances, contracts, and legal documents and provides coordinated response to public records requests. The City Attorney's Office budget includes contract costs for prosecution of criminal misdemeanor citations (e.g., driving while under the influence, domestic violence, assaults, and thefts) issued by the Mercer Island Police Department.

## Operating Expenditures

Department Function	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
Legal Advice & Defense	652,903	720,122	717,831	738,914	-0.3%	2.9%
Prosecution & Criminal Mgt	178,839	151,000	207,800	211,000	37.6%	1.5%
Public Records Requests	124,236	143,842	152,500	164,108	6.0%	7.6%
<b>Total</b>	<b>955,977</b>	<b>1,014,964</b>	<b>1,078,131</b>	<b>1,114,022</b>	<b>6.2%</b>	<b>3.3%</b>



# City Attorney's Office

## 2025-2026 Work Plan

### 1. Provide legal advice and guidance to the City Council, City Manager, City departments, and boards and commissions.

- 1.1 Conduct legal research for civil matters, and ensure actions taken by the City are consistent with state and federal laws.
- 1.2 Attend City Council meetings, Executive Sessions, and other meetings as needed; provide legal guidance and advice.
- 1.3 Prepare draft ordinances for City Council consideration and adoption as City law.
- 1.4 Negotiate contracts in a variety of areas, including Right of Way (ROW) franchises, real estate and development services, land use, environmental law, public works, and professional services.
- 1.5 Manage administrative claims and advise the City Manager and departments on risk management. Reviews incident reports City-wide for potential liability. The City receives an average of 20 claims and 30 incident reports per year.
- 1.6 Continue to assist the City Manager's Office on effectuating and administering the terms of the 2017 Sound Transit Settlement agreement.
- 1.7 Support the City Manager's Office on real estate matters related to the closure of City Hall.

### 2. Represent the City in civil litigation and prosecution of criminal citations.

- 3.1 Advise and represent the City in civil lawsuits, administrative appeals, and employment matters.
- 3.2 Monitor and enforce terms of the Sound Transit Settlement Agreement.
- 3.3 Manage representation and work assigned to outside legal counsel.
- 3.4 Oversee prosecution of misdemeanor citations issued by the Mercer Island Police Department and management of criminal cases and infractions before the City's municipal court.
- 3.5 Administer contracts for prosecutorial services.

### 3. Respond to public records requests pursuant to Public Records Act.

- 4.1 Coordinate timely response to public records requests.
- 4.2 Ensure compliance with the Public Records Act and proper application of exemptions.
- 4.3 Stay current with changes to public records laws.
- 4.4 Review and identify destruction and/or archival requirements for records. Provide support to City departments for records retention.
- 4.5 Develop a citywide training schedule for employees regarding records storage, retention, and destruction.
- 4.6 Develop/update policies that identify the minimum requirements to lawfully destroy paper records after conversion to a digital format, ensuring access to, and retrieval of, digital images throughout the minimum retention period.
- 4.7 Collaborate with the City Manager's Office, IT, Customer Service, and other staff teams on the implementation of citywide AI tools. Review current public records policies to identify necessary updates or changes that accommodate the use of AI technologies in City operations. Consider opportunities to use AI tools in public records management and explore opportunities for pilot projects to test products.

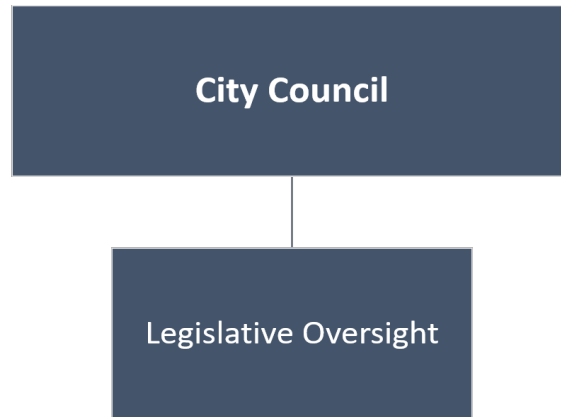
**Revenue & Expenditure Summary**

Description	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
<b>Revenues</b>						
Beginning Fund Balance	-	-	-	-	N/A	N/A
General Purpose Revenue	955,977	1,014,964	1,078,131	1,114,022	6.2%	3.3%
<b>Total Revenues</b>	<b>955,977</b>	<b>1,014,964</b>	<b>1,078,131</b>	<b>1,114,022</b>	<b>6.2%</b>	<b>3.3%</b>
<b>Expenditures</b>						
Salaries & Wages	332,306	346,822	385,641	407,630	11.2%	5.7%
Benefits	91,725	119,142	126,436	136,274	6.1%	7.8%
Supplies	2,469	3,750	1,700	1,700	-54.7%	0.0%
Contractual Services	488,699	510,000	534,300	537,500	4.8%	0.6%
Internal Service Charges	18,823	19,450	17,654	18,518	-9.2%	4.9%
Other Services & Charges	21,956	14,600	11,200	11,200	-23.3%	0.0%
<b>Total Expenditures</b>	<b>955,977</b>	<b>1,014,964</b>	<b>1,078,131</b>	<b>1,114,022</b>	<b>6.2%</b>	<b>3.3%</b>

# CITY COUNCIL

The City Council is comprised of seven members who are elected on a non-partisan, "at-large" basis to four-year terms. The City Council serves as the legislative branch of the Mercer Island City government, establishing all City policies and passing all ordinances and resolutions.

From its members, the City Council appoints a Mayor and a Deputy Mayor every two years to preside over City Council meetings and serve as the leadership of the Council. The Mayor, Deputy Mayor, and the five Councilmembers serve on a part-time basis. Councilmembers serve as liaisons between the City Council and City advisory boards and commissions, communicating information, policies, and work priorities between the bodies. In addition, Councilmembers may serve on City Council committees, and as liaisons to community, regional, and state groups.



## Operating Expenditures

Department Function	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
Legislative Oversight	38,492	54,454	58,226	58,723	6.9%	0.9%
Sister City Program	6,760	950	2,400	2,400	152.6%	0.0%
<b>Total</b>	<b>45,251</b>	<b>55,404</b>	<b>60,626</b>	<b>61,123</b>	<b>9.4%</b>	<b>0.8%</b>

**2025-2026 City Council Priorities (Adopted March 19, 2024 – AB 6435)**

The City of Mercer Island provides outstanding municipal services that enhance and protect the environment, the quality of life, and our community’s health, safety, and welfare. We engage with the community on issues of importance to listen, instill trust, and promote sound decision-making. We strive to create and maintain an environmentally sustainable and inclusive community that is safe and supportive for current and future generations.

In the 2025-2026 biennium, we will continue to provide city services with fiscal sustainability while focusing on the government's effectiveness and efficiency, and the following priorities:

- Priority 1** Engage the qualified expertise necessary to provide the guidance to enable the development of a comprehensive long-range plan for Town Center which recognizes, addresses, and balances business, housing, and parking uses.
- Priority 2** Sustain and enhance our natural environment, especially parks and open spaces, to benefit this generation and others that follow.
- Priority 3** Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks.
- Priority 4** Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community.

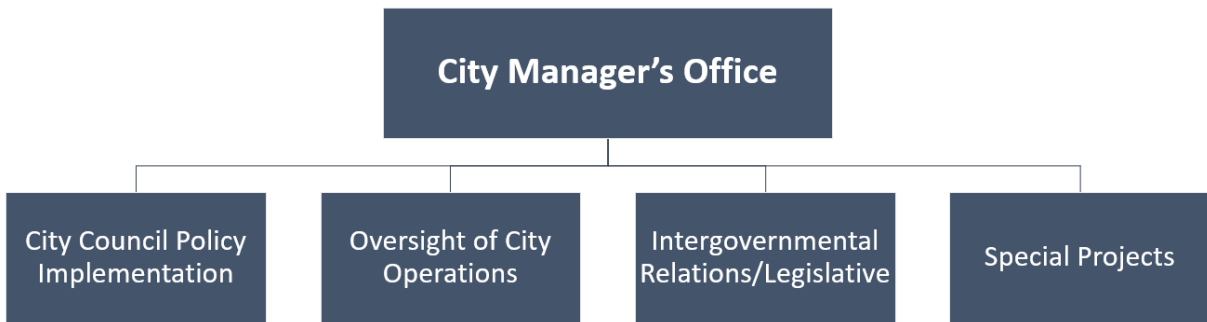
**Revenue & Expenditure Summary**

Description	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
<b>Revenues:</b>						
Beginning Fund Balance	-	-	-	-	N/A	N/A
General Purpose Revenue	45,251	55,404	60,626	61,123	9.4%	0.8%
<b>Total Revenues</b>	<b>45,251</b>	<b>55,404</b>	<b>60,626</b>	<b>61,123</b>	<b>9.4%</b>	<b>0.8%</b>
<b>Expenditures:</b>						
Salaries & Wages	19,200	19,200	19,200	19,200	0.0%	0.0%
Benefits	3,677	1,565	1,565	1,565	0.0%	0.0%
Supplies	3,793	9,500	17,000	17,000	78.9%	0.0%
Contractual Services	6,660	17,000	6,750	6,750	-60.3%	0.0%
Internal Service Charges	5,812	5,989	10,361	10,858	73.0%	4.8%
Other Services & Charges	6,109	2,150	5,750	5,750	167.4%	0.0%
<b>Total Expenditures</b>	<b>45,251</b>	<b>55,404</b>	<b>60,626</b>	<b>61,123</b>	<b>9.4%</b>	<b>0.8%</b>



# CITY MANAGER’S OFFICE

Appointed by the City Council, the City Manager serves as the chief executive officer of the City. The City Manager is primarily responsible for the preparation of the City's biennial budget, the enforcement and implementation of all laws and policies, and the efficient and effective delivery of all City services. The City Manager's Office oversees the development and implementation of all policy and program initiatives, including the City Council's top legislative priorities. The City Manager’s Office also oversees all department directors and special projects.



## Operating Expenditures

Department Function	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
Admin & Intergovt'l Relations	798,917	945,811	756,734	802,408	-20.0%	6.0%
<b>Total</b>	<b>798,917</b>	<b>945,811</b>	<b>756,734</b>	<b>802,408</b>	<b>-20.0%</b>	<b>6.0%</b>

## 2025-2026 Work Plan

1. **Goal: Engage the qualified expertise necessary to provide the guidance to enable the development of a comprehensive long-range plan for Town Center which recognizes, addresses, and balances business, housing, and parking uses. (Adopted City Council 2025-2026 Priority, see AB 6435)**
  - 1.1 Continue to prepare for the opening of the Sound Transit Light Rail Station. Work with internal teams and other agencies to ensure safe design and implementation. This work is ongoing.
  - 1.2 Administer the Sound Transit Settlement Agreement to include tracking of appropriations and expenditures, contract management, and submission of invoices. This work is ongoing.
  - 1.3 Oversee the construction and activation of the former Tully’s Property for long-term regional transit commuter parking. Construction is scheduled for completion Q2 2025.

- 1.4 Continue to coordinate implementation of the programs and policies identified in the Town Center Parking Plan.
  - 1.4.1 Implement an on-street parking system in Town Center where a motorist would register their vehicle for 2-hours of free parking and have the option to extend this parking up to 4-hours for a paid fee by Q4 2025.
  - 1.4.2 Work with the Community Planning and Development to evaluate Public-Use agreements to use underutilized parking in privately owned parking lots and garages.
2. **Goal: Sustain and enhance our natural environment, especially parks and open spaces, to benefit this generation and others that follow. (Adopted City Council 2025-2026 Priority, see AB 6435)**  
**Goal: Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks. (Adopted City Council 2025-2026 Priority, see AB 6435)**
  - 2.1 In response to the closure of City Hall and functional obsolescence of the existing Public Works building, manage the design of a new Public Safety and Maintenance Building (PSM), prepare for a ballot measure to fund its construction, and re-house other displaced City services.
    - 2.1.1 Proceed to schematic design phase of the PSM building and continue to engage the City Council on space and operational needs of staff teams housed there. Conduct a focused community engagement Complete by Q1 2025.
    - 2.1.2 Prepare a ballot ordinance for the November 2025 election with ballot language, cost estimates, bond financing, and supporting PSM design documents for City Council consideration by Q2 2025.
    - 2.1.3 Continue the comprehensive assessment work on City facilities to identify further opportunities to maintain safe and operationally efficient City buildings.
    - 2.1.4 Conduct a thorough community engagement process related to the design and future operations of the PSM building. Continue work on the long-term vision for the next generation of City facilities.
  - 2.2 Support the Public Works Department in the delivery of capital projects including parks levy initiatives. This work is ongoing.
3. **Goal: Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community. (Adopted City Council 2025-2026 Priority, see AB 6435)**
  - 3.1 Implement the adopted 2025-2026 budget with a continued focus on fiscal sustainability.
  - 3.2 Prepare and transmit a 2027-2028 biennial budget recommendation to include policy revisions and updates at the direction of the City Council.
  - 3.3 Conduct a comprehensive needs assessment to identify areas of City operations where AI can drive efficiency (e.g. data analysis, project tracking, report generation, language translation, and customer service). Develop a plan outlining AI goals and objectives, implementation steps, policy and training needs, and funding strategies. Research potential AI tools and platforms that will enhance and support city services, conduct pilot programs to test products and tools, and actively network with other public entities as to their experiences with AI. Complete by Q3 2026.
  - 3.4 Continue work on long-term financial strategies; including ongoing implementation of policies related to the long-term forecast, reserves, and operating contingencies. This work is ongoing.
  - 3.5 Bring the City Council a proposed scope of work to revise the City Council Code of Ethics and an appropriation request by Q2 2025.

## City Manager's Office

- 3.6 Research and develop a new Parks Zone in coordination with the Community Planning and Development Department and the Recreation Division. Support the Parks and Recreation Commission in developing a recommendation for consideration by the Planning Commission and the City Council and facilitate a community engagement process. Work is anticipated to be completed by Q4 2025.
  - 3.7 Complete an overhead cost analysis of the municipal court services interlocal agreement with the City of Newcastle to ensure the agreement is in alignment with the new cost allocation policy. Revise the interlocal agreement based on the findings. Work is anticipated to be complete by Q4 2025.
  - 3.8 Track the Washington State Supreme Court's decision regarding the proposed changes to the Standards for Indigent Defense. Collaborate with the Association of Washington Cities (AWC) to participate in the public engagement process and conduct a budget impact analysis of the Supreme Court's decision.
  - 3.9 Support the Finance Department and the Police Department to implement a new cost sharing model for marine patrol services with contract cities by Q4 2026 in alignment with the City's cost allocation policy.
  - 3.10 Implement the organizational structure as approved in the 2025-2026 budget.
    - 3.8.1 Continue to work towards filling interim/vacant positions.
    - 3.8.2 Provide support to the organization to ensure succession planning remains a priority to address upcoming retirements.
    - 3.8.3 Emphasize building and developing future leaders throughout the organization through continuing education, cross-training, and identifying other opportunities for professional growth
- 4. Goal: Provide leadership and planning support to the City Council.**
- 4.1 Manage the City Council Planning Schedule to ensure timely delivery of workplan items. Evaluate the need for Special Meetings and "Joint Meetings" with other boards or governing bodies.
  - 4.2 Provide support to the City Council in setting the agendas and preparing for the Annual Planning Session.
  - 4.3 Prepare the annual legislative priorities with direction from the City Council. Conduct research, legislative analysis, and prepare talking points to conduct robust engagement with legislators and other key actors at the State and Federal level.
    - 4.3.1 Coordinate closely with the Association of Washington Cities (AWC), A Regional Coalition for Housing (ARCH), and other regional associations as appropriate to support the City's legislative priorities.
    - 4.3.2 Manage City contract lobbyists and City government relations staff to support the legislative work.

**Revenue & Expenditure Summary**

Description	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
<b>Revenues:</b>						
Beginning Fund Balance	-	-	-	-	N/A	N/A
ARPA Fund	131,263	264,319	-	-	-100.0%	N/A
General Purpose Revenue	798,917	681,492	756,734	802,408	11.0%	6.0%
<b>Total Revenues</b>	<b>930,180</b>	<b>945,811</b>	<b>756,734</b>	<b>802,408</b>	<b>-20.0%</b>	<b>6.0%</b>
<b>Expenditures:</b>						
Salaries & Wages	509,575	597,735	512,175	542,777	-14.3%	6.0%
Benefits	143,768	157,103	177,589	191,605	13.0%	7.9%
Supplies	13,923	4,000	5,500	5,500	37.5%	0.0%
Contractual Services	87,656	135,000	30,000	30,000	-77.8%	0.0%
Communications	2,091	2,000	2,000	2,000	0.0%	0.0%
Internal Service Charges	37,100	38,473	20,970	22,026	-45.5%	5.0%
Other Services & Charges	4,804	11,500	8,500	8,500	-26.1%	0.0%
<b>Total Expenditures</b>	<b>798,917</b>	<b>945,811</b>	<b>756,734</b>	<b>802,408</b>	<b>-20.0%</b>	<b>6.0%</b>

## COMMUNITY PLANNING & DEVELOPMENT

The Community Planning and Development Department (CPD) is responsible for ensuring compliance with several State statutes including the Growth Management Act (GMA), Shoreline Management Act (SMA), and the State Environmental Policy Act (SEPA). Compliance is achieved through the adoption, implementation and maintenance of the Comprehensive Plan and sub area plans, capital improvement plans, development and environmental regulations contained within the Mercer Island Municipal Code (MICC), as well as other initiatives and activities including the review and inspection of private and public development projects, the enforcement of construction, environmental and nuisance codes and the activation of economic development efforts.

CPD is comprised of four (4) divisions including Administration, Building Services, Permit Center, and Planning Services. A summary of key functions for each division is provided below:

- **Administration:** Serves as the primary point of contact for public information related to development and as an advocate for customers interested or engaged in development activity on the Island. Provide liaison services for organizations, large projects, and community-wide issues. Maintains the Comprehensive Plan and Development Code while providing staff support to the Planning Commission. Responsible for overall department budgeting as well as supporting the civil code compliance and economic development programs.
- **Building Plan Review and Inspection Services:** Process, review, and complete all private, non-profit, and public (i.e., city, state, regional, and utility entities) development permits, encompassing building plans examination and field inspections.
- **Permit Center:** Coordinate all facets of the permitting process, which encompass permit intake, issuance, and tracking. Leads the department efforts in records management and process improvements.
- **Land Use Planning:** Process all land use and non-single-family design review permit applications consistent with adopted policies in the Comprehensive Plan and Development Code within timeframes required by state law. These include rezones, code amendments, conditional use permits, variances, deviations, subdivision plats, lot line adjustments, shoreline development permits and exemptions, SEPA determinations, accessory dwelling units (ADU's), all land use appeals, major new construction design reviews, and minor revision design reviews, and staff administrative design reviews. Provides staff support to the Design Commission and Hearing Examiner.



## Community Planning & Development



### Operating Expenditures

Department Function	2021	2022	2023	2024	Percent Change	
	Actual	Forecast	Budget	Budget	22-23	23-24
Administration & Permitting	964,985	1,509,169	1,207,409	1,261,702	-20.0%	4.5%
Building Plan Review and Inspection	888,600	965,470	923,261	974,260	-4.4%	5.5%
Development Engineering	-	-	276,263	288,983	N/A	4.6%
Permit Center	362,859	411,150	430,708	454,713	4.8%	5.6%
Land Use Planning	852,018	924,104	1,266,735	1,354,562	37.1%	6.9%
<b>Total</b>	<b>3,068,462</b>	<b>3,809,893</b>	<b>4,104,376</b>	<b>4,334,220</b>	<b>7.7%</b>	<b>5.6%</b>

**Commented [MM1]:** Updated table should include the addition of the fee in lieu program expense, a budget proposal approved by the City Council during the Nov budget workshop, amounting to \$30,000 (unassigned GF FB) in 2025. See 1.8.

**Commented [LT2R1]:** This was added to the GENERAL fund as a professional service in GGM001

## Community Planning & Development

### 2025-2026 Work Plan

1. **Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community.** (*Adopted City Council 2025-2026 Priority, see AB 6435*)
  - 1.1 Work with the City Manager's Office and the Finance Department to develop the 2027-2028 budget recommendation.
  - 1.2 Implement state legislation related to changes in the Growth Management Act and affordable housing initiatives by the mandated deadlines.
  - 1.3 Implement the 2024 Comprehensive Plan Periodic Update including economic development and housing strategies.
  - 1.4 Support the City Manager's Office in developing a new Parks Zone for consideration by the Parks and Recreation Commission, the Planning Commission and the City Council to include a community outreach and engagement process. Work is anticipated to be completed by Q4 2025.
  - 1.5 Continue representation on the A Regional Coalition for Housing (ARCH) Executive Board and serve as the liaison between the City Council and ARCH. Support City Council with review and approval of the annual ARCH work program and budget, and the allocation to the Housing Trust Fund.
  - 1.6 Support the City Manager's Office with the development of legislative priorities. Engage with the City Council and lobbyist team to develop strategies for successful implementation, to include providing testimony when legislation is being considered. Coordinate with intergovernmental organizations and other local government jurisdictions on legislative advocacy.
  - 1.7 Complete the annual docket process and work towards completion of work program additions. Compile and analyze potential improvements to the development codes and propose such for the annual docket as appropriate. This work is ongoing.
  - 1.8 Develop a fee-in-lieu program to support the creation of affordable housing by Q4 2025.
  - 1.9 Provide administrative support to the Planning Commission as well as staff recommendations for legislative reviews.
  - 1.10 Provide administrative support to the Design Commission as well as staff recommendations for design review permits.
  - 1.11 Provide administrative support to the Hearing Examiner as well as staff recommendations for land use permits and appeals.
  - 1.12 Work with the Mercer Island School District (MISD) to update school impact fees as appropriate in coordination with the annual adoption of its Capital Facilities Plan.
  - 1.13 Update construction permit fees annually and include as part of the Master Fee Schedule (Q4).
  - 1.14 Continue succession planning for staff within the Department to address upcoming retirements within the team. Identify and nurture talent within the Department, cross-train maintenance and operations staff to ensure continuity of services across all lines of business; provide staff opportunities to improve knowledge and skills with an emphasis on leadership development training and strategically position the Department to fill key roles to sustain momentum. This work is ongoing.

## Community Planning & Development

- 1.15 Index and digitize old records to make them easily accessible to the public and continue to provide support for public records requests. This work is ongoing.
2. **Engage the qualified expertise necessary to provide the guidance to enable the development of a comprehensive long-range plan for Town Center which recognizes, addresses, and balances business, housing, and parking uses.** *(Adopted City Council 2025-2026 Priority, see AB 6435)*
  - 2.1 Support implementation of the actions identified in the Town Center Parking Plan. Strengthen the relationship between the City and the local business community by providing transparent and timely information.
  - 2.2 Collaborate with the Mercer Island Chamber of Commerce to continue supporting local businesses.
3. **Provide basic permitting service levels (including construction permit reviews, land use decisions, inspections, code compliance, noticing and public outreach, customer service and data reporting).**
  - 3.1 Analyze and implement measures to reduce building, planning, and land-use permit plan review times through appropriate staffing and on-call support levels. Routinely analyze data and gather feedback from customers to inform decision-making and process improvements.
  - 3.2 Strive to provide responses to all general inquires within one business day. Collaborate with the Customer Service team to improve access to frequently asked questions.
  - 3.3 Maintain current service levels of “next day” inspections through appropriate staffing and on-call support levels.
  - 3.4 Reestablish the OTC (over the counter) permit program when in-person customer services resume.
  - 3.5 Update the construction codes according to state requirements by Q2 2026.
  - 3.6 Continue to participate in and track efforts for online permit software options at the regional and state levels.
4. **Goal: Provide safe, functional, and efficient delivery of public services and ensure preservation and maintenance of critical public infrastructure.**  
**Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks.** *(Adopted City Council 2025-2026 Priority, see AB 6435)*
  - 4.1 Provide support to the City Manager’s Office in the design of the new Public Safety and Maintenance Building.
  - 4.2 Provide support to the Public Works Capital Project team by ensuring collaboration on capital projects and timely issuance of permits.

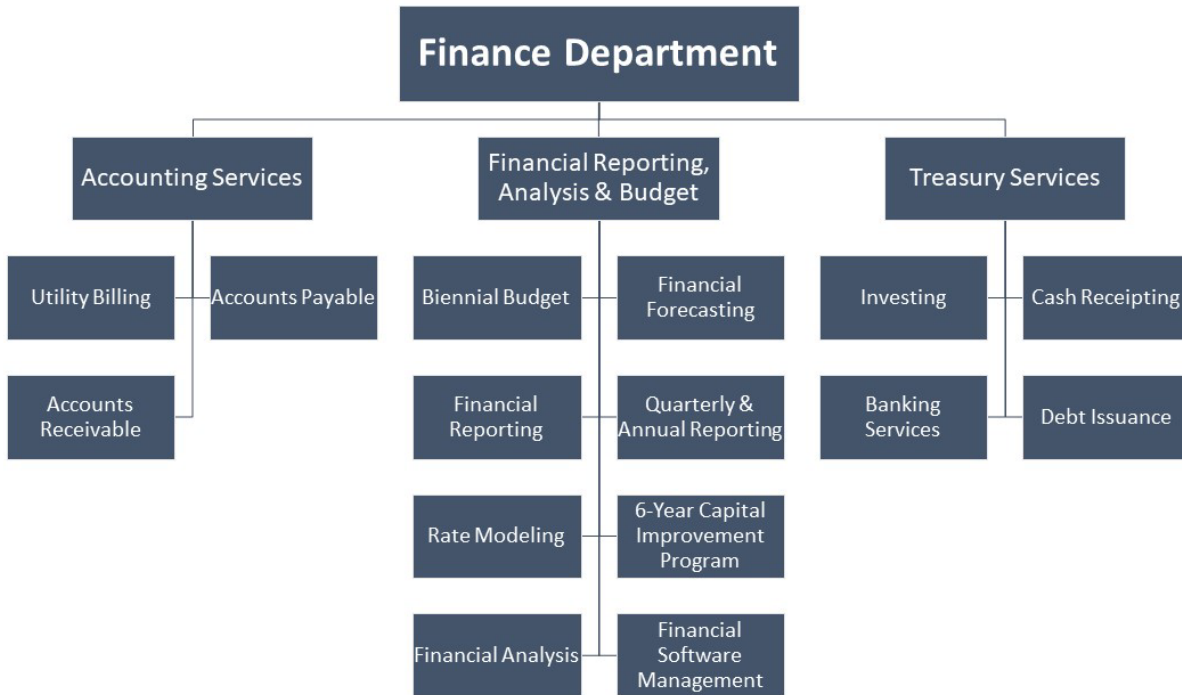
## Community Planning & Development

### Revenue & Expenditure Summary

Description	2021	2022	2023	2024	Percent Change	
	Actual	Forecast	Budget	Budget	22-23	23-24
<b>Revenues:</b>						
Beginning Fund Balance	-	-	-	-	N/A	N/A
Development Fee Revenue	3,303,857	3,687,027	3,259,124	3,363,881	-11.6%	3.2%
Other Charges for Services	26,773	9,261	10,000	10,000	8.0%	0.0%
Grant		143,750	18,750	-	-87.0%	-100.0%
General Fund Tax Revenue	675,062	838,176	913,016	966,165	8.9%	5.8%
<b>Total Revenues</b>	<b>4,005,692</b>	<b>4,678,214</b>	<b>4,200,890</b>	<b>4,340,046</b>	<b>-10.2%</b>	<b>3.3%</b>
<b>Expenditures:</b>						
Salaries & Wages	2,130,417	2,261,834	2,323,272	2,453,143	2.7%	5.6%
Benefits	623,195	820,304	869,963	936,487	6.1%	7.6%
Supplies	14,819	14,700	31,450	31,450	113.9%	0.0%
Contractual Services	157,770	542,972	293,750	299,250	-45.9%	1.9%
Communications	13,533	10,000	14,000	14,000	40.0%	0.0%
Internal Service Charges	127,109	139,083	140,638	146,405	1.1%	4.1%
Other Services & Charges	1,618	21,000	431,303	453,485	1953.8%	5.1%
<b>Total Expenditures</b>	<b>3,068,462</b>	<b>3,809,893</b>	<b>4,104,376</b>	<b>4,334,220</b>	<b>7.7%</b>	<b>5.6%</b>

# FINANCE DEPARTMENT

The Finance Department provides financial planning, analysis and reporting, treasury, accounting, and financial software support services for all City operations. Critical accounting functions include utility billing services for the water, sewer and stormwater utilities, accounts payable processing, business license administration, business tax oversight, capital asset accounting, and external financial reporting. The Finance Department assists operating departments in budget proposals, revenue forecasting, and financial management.



## Operating Expenditures

Department Function	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
Financial Services	1,145,211	1,445,476	1,502,600	1,530,964	4.0%	1.9%
Utility Billing	549,513	638,468	629,059	692,701	-1.5%	10.1%
<b>Total</b>	<b>1,694,723</b>	<b>2,083,944</b>	<b>2,131,659</b>	<b>2,223,665</b>	<b>2.3%</b>	<b>4.3%</b>



# Finance Department

## 2025-2026 Work Plan

1. **Goal: Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community.** (Adopted City Council 2025-2026 Priority, see AB 6435)
  - 1.1 Oversee the mid-biennial budget update and develop the 2027-2028 biennial budget using the new financial management software.
  - 1.2 Complete annual financial reports as specified by the State Auditor's Office each year.
  - 1.3 Implement new financial management software modules to simplify the process of accepting payments for municipal services and streamline business and occupation tax processing by Q4 2025.
  - 1.4 Collaborate with the City Manager's Office, IT, Customer Service and other staff teams to evaluate the financial implications and develop funding strategies to support the analysis, testing, evaluation, and implementation of AI technologies across City operations.
  - 1.5 Complete an audit of the City's account payables and implement best practices to coincide with the implementation of the City's new enterprise-wide financial management software by Q4 2025.
  - 1.6 Track the disposition of the City's American Relief Plan Act (ARPA) funds through Q4 2026 and meet all federal reporting requirements. This work is ongoing through the biennium.
  - 1.7 Work with the City Manager's Office, Administrative Services, and community partners on a stabilization plan for Youth and Family Services revenues. This work is tied to Thrift Shop operations and development of a sustainable long-term funding strategy. This work is ongoing.
  - 1.8 Oversee the State Auditor's Office (SAO) Annual Financial audit, Accountability audit, and in years where the City spends \$750,000+ in Federal dollars, the Federal Single audit, as required. Provide all documentation, resources, and staff support as required. This work is ongoing.
  - 1.9 Review and update the City's financial management policies regarding the following:
    - 1.9.1 Utility billing policies and procedures by Q4 2025.
    - 1.9.2 Equipment surplus policy, including review of the valuation threshold for City Council approval by Q4 2026.
    - 1.9.3 Purchasing and procurement procedures and written policies by Q4 2026.
  - 1.10 Develop a new system to forecast employee compensation costs as part of the biennial budget based on the compensation plan and collective bargaining agreements by Q4 2025.
  - 1.11 Crosstrain staff in utility billing, payroll management, month-end reconciliation, financial reporting, and other internal service workflows within the department. This work is ongoing.
  - 1.12 Support implementation of the actions identified in the Town Center Parking Plan.
2. **Goal: Provide excellent service to internal and external customers.**
  - 2.1 Support Finance staff who are working remotely and on-site while short and long-term plans for City facilities are developed. This work is ongoing.
  - 2.2 Share supervisory responsibilities with Administrative Services to help the Mercer Island Thrift Shop enhance operations.
  - 2.3 Support Public Works with a comprehensive performance review of the Recology solid waste contract relative to the requirements and standards established within the contract by Q4 2026.

- 2.4 Begin quarterly staff trainings in Q3 2025 to develop advanced use of the new financial management software. This work is ongoing through the biennium.
    - 2.4.1 Conduct on-boarding training for new hires using the financial management software. This work is ongoing.
    - 2.4.2 Maintain user permissions in the financial management software with employee turnover. This work is ongoing.
  - 2.5 In concert with Youth and Family Services, connect utility billing customers to financial assistance programs. This work is ongoing.
  - 2.6 Incorporate monthly financial reporting by Q4 2025 into City operations. Implementation of this goal is tied to the use of the new financial software system.
  - 2.7 Provide collective bargaining support for the Administrative Services Department. This work is ongoing.
  - 2.8 Provide regular opportunities for City staff to provide feedback on interdepartmental budget development and financial system trainings throughout the biennium.
  - 2.9 Work with the Police Department and the City Manager's Office to implement a new cost sharing model for marine patrol services with contract cities by Q4 2026 in alignment with the City's cost allocation policy.
  - 2.10 Support the City Manager's Office in completing an overhead cost analysis to ensure the interlocal with the City of Newcastle for municipal court services aligns with the City's cost allocation policy. Revise the Interlocal Agreement based on findings by Q4 2025.
  - 2.11 Support Administrative Services as the City transitions from bi-weekly to semi-monthly payroll processing by Q1 2025.
- 3. Goal: Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks. (Adopted City Council 2025-2026 Priority, see AB 6435)**
- 3.1 Support the City Manager's Office on real estate matters related to the closure of City Hall.
  - 3.2 Assist the City Manager's Office with short and long-term financing strategies for the future Public Safety and Maintenance Building. Provide support for the November 2025 ballot measure. This work is ongoing through the biennium.
  - 3.3 In partnership with Public Works and other operating departments, develop the City's 2027-2032 Capital Improvement Program for City Council review and approval.
    - 3.3.1 Develop a six-year cash flow that balances anticipated resources with future community infrastructure needs.
    - 3.3.2 Evaluate and pursue outside funding as needed to support infrastructure investments that at minimum cost \$2.5 million with a useful life of at least 20 years.
    - 3.3.3 Conduct a utility rate study to inform service rate adjustments for Utility Board review as part of the 2027-2028 biennial budget by Q3 2026.
    - 3.3.4 Explore new long-term funding mechanisms for ongoing technology investments by Q4 2026.
    - 3.3.5 Revisit the funding plan (aka the sinking fund) for the replacement of synthetic turf athletic fields by Q2 2026.
  - 3.4 Assist with the implementation of the Meter Replacement Project, develop new internal business operations, and train staff based on this infrastructure improvement. This work is ongoing.

# Finance Department

## Revenue & Expenditure Summary

Description	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
<b>Revenues:</b>						
Beginning Fund Balance					N/A	N/A
Business License Fees	114,970	118,370	118,961	119,556	0.5%	0.5%
Utility Charge for Services	545,513	638,468	629,059	692,701	-1.5%	10.1%
ARPA - Utility Relief Grant	4,000	-	-	-	N/A	N/A
General Tax Revenue	1,030,241	1,327,106	1,383,639	1,411,408	4.3%	2.0%
<b>Total Revenues</b>	<b>1,694,723</b>	<b>2,083,944</b>	<b>2,131,659</b>	<b>2,223,665</b>	<b>2.3%</b>	<b>4.3%</b>
<b>Expenditures:</b>						
Salaries & Wages	872,933	1,005,978	1,084,746	1,146,624	7.8%	5.7%
Benefits	284,998	404,146	418,577	450,797	3.6%	7.7%
Supplies	10,913	5,250	11,000	11,000	109.5%	0.0%
Contractual Services	400,062	555,450	448,850	452,950	-19.2%	0.9%
Communications	24,983	22,650	26,450	27,236	16.8%	3.0%
Internal Service Charges	51,971	53,470	85,861	89,883	60.6%	4.7%
Other Services & Charges	44,863	37,000	56,175	45,175	51.8%	-19.6%
Utility Grant Program	4,000	-	-	-	N/A	N/A
<b>Total Expenditures:</b>	<b>1,694,723</b>	<b>2,083,944</b>	<b>2,131,659</b>	<b>2,223,665</b>	<b>2.3%</b>	<b>4.3%</b>

# FIRE & EMERGENCY SERVICES

Eastside Fire & Rescue serves Mercer Island by providing the following high-quality fire, rescue, and emergency medical services:

- Community Relations and Events
- Construction Fire Code Plan Reviews
- Disaster Preparedness and Education
- Emergency Medical Aid
- Fire and Life Safety Inspections
- Fire Investigation Services
- Fire Protection and Suppression
- Hazardous Materials and Confined Space Services
- Public Fire Safety and Prevention Education
- Specialized Technical and Swiftwater Services
- Wildland Fire Services

## Operating Expenditures

Department Function	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
Administration	615,370	8,829,737	8,851,380	9,269,259	0.2%	4.7%
Operations	7,397,156	-	-	-	N/A	N/A
Community Risk Reduction	280,848	-	-	-	N/A	N/A
Training	209,822	-	-	-	N/A	N/A
<b>Total</b>	<b>8,503,196</b>	<b>8,829,737</b>	<b>8,851,380</b>	<b>9,269,259</b>	<b>0.2%</b>	<b>4.7%</b>

## 2025-2026 Work Plan

*Developed in collaboration with Eastside Fire & Rescue*

1. **Goal: Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community.** (Adopted City Council 2025-2026 Priority, see AB 6435)
  - 1.1 Deploy personnel and resources in an efficient and effective manner to remain responsive to community needs.
  - 1.2 Review and provide data driven updates specific to fee collection policies (ambulance transport fee, fire permit fees, GEMT, etc.), new or updated requests for contracts, and/or strategies to the City Manager in September of each year.
  - 1.3 Coordinate with Administrative Services and Finance to update the Master Fee Schedule annually to include all associated fire permit fees.
2. **Goal: Keep the Mercer Island community safe through effective planning, training, response, and mitigation of emergencies.**
  - 2.1 Evaluate turnout and travel times to possibly modify the geographical response boundaries between Station 91, Station 92, and regional partners by Q2 2026.
  - 2.2 Strive to meet the following standards adopted by Eastside Fire & Rescue:

## Fire & Emergency Services

2.2.1 **Turnout Time** (the time beginning when units receive notification of the emergency to the beginning point of response time):

- 75 seconds for daytime EMS Incidents
- 90 seconds for nighttime EMS Incidents
- 105 seconds for daytime Fire incidents
- 150 seconds for nighttime Fire incidents

2.2.2 **Travel Time – EMS:**

- Urban response/travel time of 6:30 minutes
- Suburban response/travel time 7:30 minutes

2.2.3 **Travel Time – Fire:**

- Urban response/travel time 7:00 minutes
- Suburban response/travel time 8:00 minutes

2.3 Continue utilization of Mobile Integrated Health (MIH) funds from King County Emergency Medical Services (KCEMS) for CORE Connect (Eastside Fire & Rescue's Mobile Integrated Healthcare response unit). This work is ongoing.

### 3. **Goal: Emphasize community risk reduction through fire prevention and public education.**

- 4.1 Work with Sound Transit on design, plan review, and installation of fire suppression systems for the light rail station by Q4 2025. This work is ongoing.
- 4.2 Continue work to improve the Washington Surveying & Rating Bureau (WSRB) rating to lower insurance costs for Mercer Island residents.
- 4.3 Work with the Community Planning & Development Department and the City Council to adopt and streamline fire code amendments as needed. This work is ongoing.
- 4.4 Strengthen brand recognition and enhance communications on Mercer Island by improving and standardizing public education and outreach efforts.



# Fire & Emergency Services

## Revenue & Expenditure Summary

Description	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
<b>Revenues:</b>						
Ambulance Transport Fee	482,481	247,930	315,000	315,000	27.1%	0.0%
Development Permit Fees	130,077	131,378	125,000	125,000	-4.9%	0.0%
GEMT Program	262,967	170,275	175,000	175,000	2.8%	0.0%
King County EMS Levy	734,167	809,000	833,270	858,268	3.0%	3.0%
EMS Charge for Service	678,039	746,161	790,241	813,948	5.9%	3.0%
Donation & Other	25,310	1,326	1,476	1,188	11.3%	-19.5%
General Purpose Revenue	6,190,156	6,723,667	6,611,393	6,980,855	-1.7%	5.6%
<b>Total Revenues</b>	<b>8,503,196</b>	<b>8,829,737</b>	<b>8,851,380</b>	<b>9,269,259</b>	<b>0.2%</b>	<b>4.7%</b>
<b>Expenditures:</b>						
Salaries & Wages	5,647,792	-	-	-	N/A	N/A
Benefits	1,581,004	-	-	-	N/A	N/A
Supplies	115,046	-	-	-	N/A	N/A
Contractual Services	554,470	8,829,737	8,851,380	9,269,259	0.2%	4.7%
Communications	54,872	-	-	-	N/A	N/A
Internal Service Chargs	265,562	-	-	-	N/A	N/A
Other Services & Charges	83,480	-	-	-	N/A	N/A
Intergovernmental Services	200,971	-	-	-	N/A	N/A
<b>Total Expenditures</b>	<b>8,503,196</b>	<b>8,829,737</b>	<b>8,851,380</b>	<b>9,269,259</b>	<b>0.2%</b>	<b>4.7%</b>

# MUNICIPAL COURT

The Mercer Island Municipal Court is responsible for adjudicating all criminal misdemeanor and gross misdemeanor crimes, infractions, and parking violations under Municipal Code and the Revised Code of Washington Statutes. Misdemeanors include offenses such as driving under the influence, assault, theft, trespass, and driving with license suspended. Infraction violations include speeding, failure to stop, no insurance, cell phone use, and minor traffic accident violations. The Mercer Island Municipal Court also adjudicates cases for the City of Newcastle, which contracts for court services with the City.



### Operating Expenditures

Department Function	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
Civil & Criminal Case Processing	451,430	584,249	694,875	727,664	18.9%	4.7%
<b>Total</b>	<b>451,430</b>	<b>584,249</b>	<b>694,875</b>	<b>727,664</b>	<b>18.9%</b>	<b>4.7%</b>

### 2025-2026 Work Plan

1. **Goal: Resolve cases in a fair and just manner in accordance with the laws of Washington State and provide a legal venue for individuals to adjudicate civil infractions and criminal cases.**
  - 1.1 Hold court hearings in a timely fashion as required by the Washington State Supreme Court.
  - 1.2 Adjudicate civil infractions and set hearing dates.
  - 1.3 Prepare and submit monthly reports to the Office of Administrator of the Courts.
  - 1.4 Facilitate probation and court monitoring services to ensure compliance with judgments and sentencings. Set and hold post-sentence compliance review hearings when appropriate.
  - 1.5 Collect court fines.

- 1.6 Continue to provide municipal court services to the City of Newcastle via the current interlocal agreement.
- 1.7 Adjudicate certain identified civil code infractions and set hearing dates.
- 2. Goal: Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community. (Adopted City Council 2025-2026 Priority, see AB 6435)**
  - 2.1 Implement paperless court file maintenance, including outside pleading filings, discovery and records request transfers, and court file depository and usage.
  - 2.2 Continue court technology upgrades for remote hearings to facilitate more immediate access to the Court for in-custody defendants and limit jail and transport costs.
  - 2.3 Continue updating court operations procedures for improved notice to defendants, counsel, and the Police Department to increase access to justice and improve court time efficiency for all parties.
  - 2.4 Support the City Manager’s Office in completing an overhead cost analysis to ensure the interlocal with the City of Newcastle for municipal court services is in alignment with the new cost allocation policy. Revise the Interlocal Agreement based on findings. Complete by Q4 2025.
- 3. Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks. (Adopted City Council 2025-2026 Priority, see AB 6435)**
  - 3.1 Support the City Manager’s Office in assessing future municipal court facility needs.

## Revenue & Expenditure Summary

Description	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
<b>Revenues:</b>						
Court Fines & Forefeits	220,647	149,453	175,000	185,000	17.1%	5.7%
Grant Revenue	26,785	-	-	-	N/A	N/A
General Purpose Revenue	203,998	434,796	519,875	542,664	19.6%	4.4%
<b>Total Revenues</b>	<b>451,430</b>	<b>584,249</b>	<b>694,875</b>	<b>727,664</b>	<b>18.9%</b>	<b>4.7%</b>
<b>Expenditures:</b>						
Salaries & Wages	297,463	323,420	375,523	391,941	16.1%	4.4%
Benefits	96,341	131,287	141,795	151,645	8.0%	6.9%
Supplies	7,959	36,990	1,000	1,000	-97.3%	0.0%
Contractual Services	12,966	46,100	103,400	106,400	124.3%	2.9%
Internal Service Charges	30,166	31,202	64,907	68,428	108.0%	5.4%
Other Services & Charges	6,535	15,250	8,250	8,250	-45.9%	0.0%
<b>Total Expenditures</b>	<b>451,430</b>	<b>584,249</b>	<b>694,875</b>	<b>727,664</b>	<b>18.9%</b>	<b>4.7%</b>

# NON-DEPARTMENTAL

Non-Departmental consists of those functions that cannot be attributed to a specific department, including:

**1. Mandatory Intergovernmental Services**

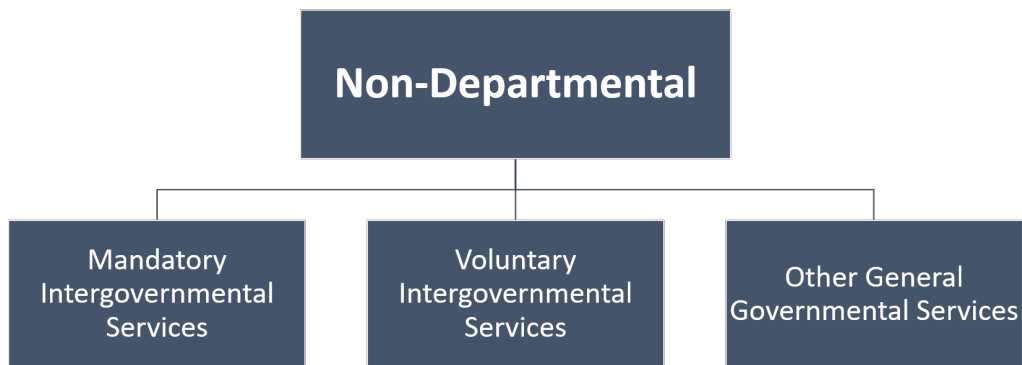
- Remit 2% of liquor taxes received quarterly to King County Alcoholism program.
- Support atmospheric monitoring and implementation of pollution controls.

**2. Voluntary Intergovernmental Services**

- Association of Washington Cities (AWC).
- A Regional Coalition of Housing (ARCH).
- Sound Cities Association (SCA).
- Puget Sound Regional Council (PSRC).
- Human Services Pooled program through the City of Bellevue.
- Mercer Island Chamber of Commerce support.
- Interlocal agreement with the Mercer Island School District for Mary Wayte Pool operations.

**3. Other General Government Services**

- General office supplies, postage and machine rental, copier leases, and armored car service.
- Community survey, fiscal studies, and management consulting.
- General, property, and automobile liability insurance.
- Employee salary adjustment reserve.
- LEOFF 1 retiree long term care and direct medical costs and health insurance premiums.
- Firemen's Pension payments to eligible retirees.
- Interfund transfers to Youth & Family Services Fund and Community Planning & Development Fund.
- Ongoing General Fund support of technology and the equipment portion of the CIP.



**Operating Expenditures**

Department Function	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
Mandatory Intergovt'l Services	47,964	48,500	54,000	56,300	11.3%	4.3%
Voluntary Intergovt'l Services	398,303	400,150	440,029	455,605	10.0%	3.5%
Other General Gov't Services	4,122,389	10,941,025	4,055,505	3,985,986	-62.9%	-1.7%
<b>Total</b>	<b>4,568,656</b>	<b>11,389,675</b>	<b>4,549,534</b>	<b>4,497,891</b>	<b>-60.1%</b>	<b>-1.1%</b>

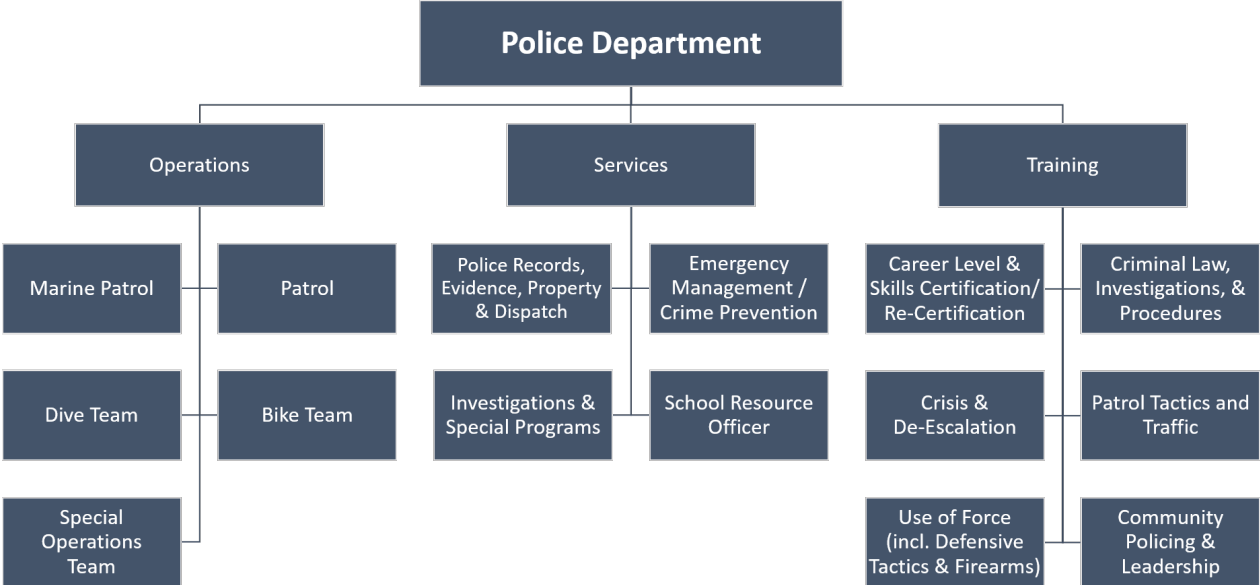
**Revenue & Expenditure Summary**

Description	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
<b>Revenue:</b>						
Beginning Fund Balance-General	1,298,680	5,360,678	318,773	50,000	-94.1%	-84.3%
ARPA Funding	524,699	2,762,098	-	-	-100.0%	N/A
Firefighter Pension Fund Reserve	111,833	130,267	137,000	145,000	5.2%	5.8%
General Purpose Revenue	2,633,444	3,136,632	4,093,761	4,302,891	30.5%	5.1%
<b>Total Revenue</b>	<b>4,568,656</b>	<b>11,389,675</b>	<b>4,549,534</b>	<b>4,497,891</b>	<b>-60.1%</b>	<b>-1.1%</b>
<b>Expenditure:</b>						
Salaries & Wages	-	254,000	250,000	125,000	-1.6%	-50.0%
Benefits	455,164	631,067	498,300	526,500	-21.0%	5.7%
Supplies	12,651	45,070	23,500	23,500	-47.9%	0.0%
Contractual Services	180,435	368,100	213,700	188,700	-41.9%	-11.7%
Communications	54,579	32,000	76,400	76,400	138.8%	0.0%
Internal Service Charge	32,722	30,337	48,010	50,281	58.3%	4.7%
Insurance	806,080	1,149,217	1,090,152	1,143,910	-5.1%	4.9%
Other Services & Charges	642,388	1,527,500	1,520	1,520	-99.9%	0.0%
Intergovernmental Services	448,892	430,750	476,129	494,005	10.5%	3.8%
Interfund Transfers	1,935,745	6,921,634	1,871,823	1,868,075	-73.0%	-0.2%
<b>Total Expenditures</b>	<b>4,568,656</b>	<b>11,389,675</b>	<b>4,549,534</b>	<b>4,497,891</b>	<b>-60.1%</b>	<b>-1.1%</b>

# POLICE DEPARTMENT

The mission of the Mercer Island Police Department is to contribute to Mercer Island's reputation as a safe, friendly, economically thriving community in which to live, work, learn, play, and visit. The Police Department is organized around the following functions:

- **Administration:** Oversee Police Services and Operations divisions and implement policies, procedures, and practices to accomplish the Department’s mission.
- **Patrol:** Protect life and property, enforce laws and ordinances, investigate crimes, and maintain civil order.
- **Marine Patrol:** Oversee Public Safety services on Lake Washington, including code and law enforcement, rescue, public education, and public assistance.
- **Investigations & Special Programs:** Investigate criminal acts, complete case filings, forward charges to the prosecutor’s office, and work with other agencies to solve crimes. Provide special programs to Mercer Island schools relating to drug and alcohol abuse and bullying prevention.
- **Records, Property & Dispatch:** Provide initial police contact to the public, maintain records, manage confiscated property and evidence, and contract for police dispatch services with NORCOM.
- **Special Teams:** Dive Team rescues and recoveries, Special Operations Team high-risk details, and Bike Team traffic control and public relations.
- **Training:** Provide a full complement of training for Department personnel.
- **Emergency Management:** Develop and maintain all documentation and programs necessary to meet the City’s responsibilities for disaster preparedness.
- **Jails:** Manage contracted jail services with the City of Issaquah and King County.



**Operating Expenditures**

Department Function	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
Administration	1,348,661	1,246,633	1,450,144	1,487,657	16.3%	2.6%
Patrol	4,335,884	4,736,166	5,079,314	5,357,100	7.2%	5.5%
Marine Patrol	619,999	583,662	574,780	596,439	-1.5%	3.8%
Investigations & Special Programs	767,099	996,617	838,906	872,357	-15.8%	4.0%
Emergency Management	256,732	245,579	203,248	211,795	-17.2%	4.2%
Records, Property & Dispatch	931,464	936,200	1,075,510	1,123,419	14.9%	4.5%
Special Teams	40,188	72,500	59,000	59,000	-18.6%	0.0%
Training	72,886	90,200	88,850	91,780	-1.5%	3.3%
Jails	111,716	100,750	122,000	125,660	21.1%	3.0%
<b>Total</b>	<b>8,484,630</b>	<b>9,008,307</b>	<b>9,491,752</b>	<b>9,925,207</b>	<b>5.4%</b>	<b>4.6%</b>

**2025-2026 Work Plan**

1. **Goal: Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community.** *(Adopted City Council 2025-2026 Priority, see AB 6435)*
  - 1.1 Work with the City Manager's Office and the Finance Department to develop 2027-2028 budget recommendations.
  - 1.2 Work with City Leadership to provide adequate, temporary facilities for Police operations and continue planning for future improved accommodations.
  - 1.3 Collaborate with Administrative Services on succession planning. This work is ongoing:
    - 1.3.1 Develop succession plans for all ranks within the Police Department and identify pathways to achieve each of those ranks. Provide mentoring and leadership development for the Department's future leaders.
    - 1.3.2 Expand career development and leadership training opportunities for all ranks.
    - 1.3.3 Develop recruitment and retention strategies to ensure adequate staffing levels are maintained to allow service levels to continue at the current level.
    - 1.3.4 Host recruitment open houses to share police career information and recruit local candidates to join the Department.
  - 1.4 Provide each officer annual training each year of the biennium in State-mandated topics that include crisis intervention, de-escalation, cultural awareness, and anti-biased policing, updated Use of Force protocols, along with training required by accreditation to maintain certifications and additional specialized continuing education.
  - 1.5 Work with the Finance Department and the City Manager's Office to implement a new cost sharing model for marine patrol services with contract cities by Q4 2026 in alignment with the City's cost allocation policy.
  - 1.6 Maintain proficiency with the special operations team, dive team, and bicycle team via regularly scheduled training sessions. This work is ongoing.

## Police Department

- 1.7 Support the City Manager's Office with the development of legislative priorities. Engage with the City Council and lobbyist team to develop strategies for successful implementation, to include providing testimony when legislation is being considered. This work is ongoing.
- 1.8 Re-establish law enforcement agency accreditation by Q4 2026.
- 1.9 Ensure the Department is following law enforcement standards to re-establish accreditation.
- 2. Goal: Continue to focus on community safety, outreach, and education.**
  - 2.1 Recruit and retain officers to maintain minimum authorized staffing level requirements.
  - 2.2 Proactively combat crimes through crime prevention and education programs, by leveraging social media outreach and rigorous investigation efforts. This work is ongoing.
  - 2.3 Conduct traffic safety emphasis patrols and public education to maintain a low motor vehicle collision rate. Continue to partner with Public Works and the Transportation Engineer to identify and mitigate traffic issues. This work is ongoing.
  - 2.4 Recruit volunteers for Community Emergency Response Team (CERT), Map Your Neighborhood Program, and Emergency Preparedness Volunteer Teams. This work is ongoing.
  - 2.5 Update the City's Emergency Management plans. This work is ongoing.
  - 2.6 Work with the City Manager's Office and the City Attorney's Office to develop a shopping cart regulation ordinance aimed at deterring and managing organized retail crime by regulating cart containment, retrieval, and misuse to prevent their use in organized theft by Q4 2025.
  - 2.7 Work with the City Manager's Office, the City Attorney's Office, and Finance to develop an ordinance to amend business license criteria, allowing for revocation or suspension in cases where businesses fail to take proactive measures against organized retail crime and do not collaborate with law enforcement by Q4 2025.
  - 2.8 Work with the City Manager's Office and the City Attorney's Office to develop an ordinance introducing mandatory minimum sentences for repeat offenders of public disorder crimes, with treatment options as alternatives, to reduce recidivism and encourage rehabilitation by Q4 2025.
  - 2.9 Develop a Volunteers in Policing Program structured for greater community involvement in crime prevention efforts by Q4 2026.
  - 2.10 Increase safety in the schools by working with our partners in the Mercer Island School District to identify and address gaps in training and other areas of need. This work is ongoing.
  - 2.11 Support the partnerships the School Resource Officer has with students and their families, the Mercer Island School District, and the Youth and Family Services Department. Maintain the focus on intervention, education, and ways to keep youth out of the Criminal Justice system. This work is ongoing.
  - 2.12 Continue community outreach events including Department community meetings and listening sessions, crime prevention presentations, personal safety classes, Coffee with a Cop, Paws on Patrol, National Night Out and the community drug-takeback event. Support the Recreation Division through participation in community-wide special events.
  - 2.13 Work with the City Manager's Office to re-establish public safety partnership and funding levels to support the Seafair regional special event.
  - 2.14 Participate and engage in educational efforts related to drowning prevention and water safety, to include annual classroom presentations in local Kindergarten classes.



2.15 Work closely with law enforcement partners and affiliated agencies to ensure a safe boating environment. Reduce boating collisions through proactive boating law enforcement and boater education.

**3. Goal: Enhance public safety technology and communication.**

4.1 Develop a body-worn camera program recommendation/budget proposal for City Council consideration to include funding options, policy considerations, software fees, data storage, and staff support for the anticipated public records requests by Q3 2025.

4.2 Develop a program recommendation/budget proposal to replace in-car camera systems with an updated system that integrates City operating systems by Q3 2026.

4.3 Develop a program recommendation/budget proposal to update the City's digital evidence management system to allow for better storage, ease of indexing and retrieval, and the ability to interface with City operating systems by Q3 2026.

4.4 Support Citywide communications by preparing timely content on public safety matters. This work is ongoing.

4.5 Identify and implement best practice protocols for police related media releases and social media posts working in collaboration with the City's communications plan by Q3 2025.

**4. Goal: Engage the qualified expertise necessary to provide the guidance to enable the development of a comprehensive long-range plan for Town Center which recognizes, addresses, and balances business, housing, and parking uses. (Adopted City Council 2025-2026 Priority, see AB 6435)**

4.1 Support implementation of the actions identified in the Town Center Parking Plan. This work is ongoing.

4.2 Collaborate with Sound Transit, King County Metro, and other agencies to ensure safe implementation of the Light Rail Station and bus intercept. This work is ongoing.

4.3 Prepare for the new light rail station (opening date set for 2025) including response protocols for the two Town Center Officers as well as plan for pedestrian and vehicle safety.

# Police Department

## Revenue & Expenditure Summary

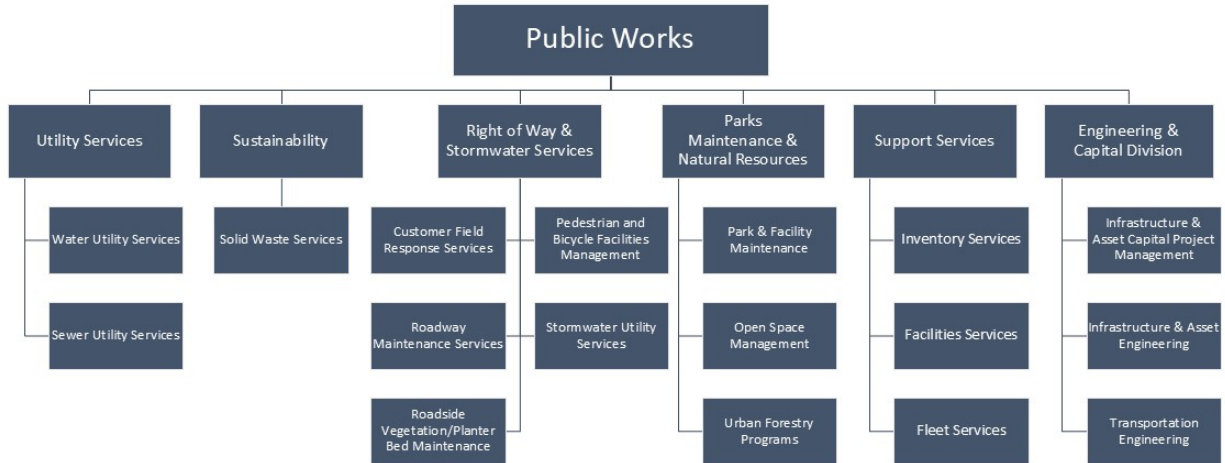
Description	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
<b>Revenues:</b>						
Beginning Fund Balance	-	-	12,500	-	N/A	-100.0%
Sales Tax (Criminal Justice)	941,734	944,559	979,734	1,018,924	3.7%	4.0%
State Shared Revenues (CJ)	45,370	42,500	44,039	44,197	3.6%	0.4%
Vessel Registration Fees	70,052	84,793	86,327	87,763	1.8%	1.7%
Federal and Local Grants	46,930	18,000	18,326	18,631	1.8%	1.7%
MI School District (SRO)	62,009	60,000	61,500	61,500	2.5%	0.0%
Marine Patrol Contract	225,220	252,334	256,898	261,173	1.8%	1.7%
Other Police Revenue	10,229	3,638	1,219	1,219	-66.5%	0.0%
General Purpose Revenue	7,083,087	7,602,483	8,031,209	8,431,800	5.6%	5.0%
<b>Total Revenues</b>	<b>8,484,630</b>	<b>9,008,307</b>	<b>9,491,752</b>	<b>9,925,207</b>	<b>5.4%</b>	<b>4.6%</b>
<b>Expenditures:</b>						
Salaries & Wages	5,240,942	5,435,728	5,599,401	5,883,687	3.0%	5.1%
Benefits	1,606,621	1,853,296	1,839,975	1,941,468	-0.7%	5.5%
Supplies	227,255	175,100	194,250	198,290	10.9%	2.1%
Contractual Services	45,213	109,800	200,900	188,400	83.0%	-6.2%
Communications	14,498	33,200	21,500	22,200	-35.2%	3.3%
Internal Service Charges	570,142	577,883	670,476	683,752	16.0%	2.0%
Other Services & Charges	40,706	63,800	58,850	58,850	-7.8%	0.0%
Intergovernmental Services	727,253	747,500	894,400	936,560	19.7%	4.7%
Capital	12,000	12,000	12,000	12,000	0.0%	0.0%
<b>Total Expenditures</b>	<b>8,484,630</b>	<b>9,008,307</b>	<b>9,491,752</b>	<b>9,925,207</b>	<b>5.4%</b>	<b>4.6%</b>

# PUBLIC WORKS DEPARTMENT

The Public Works department consists of the following functions:

- **Administration:** Provide direction and administrative support to the Department's teams. Serve as primary point of contact to the public for information related to operation, maintenance, and construction of City infrastructure.
- **Capital and Engineering:**
  - Oversee the planning, design and construction of the following City infrastructure systems and assets: sanitary sewer collection, stormwater collection, water supply and distribution, transportation, and parks and park facilities (budgeted and accounted for within the City's Capital Improvement Program).
  - Conduct engineering review and site inspection of all land use and private development projects, including the impact on and use of the City's rights-of-way (ROW) and utility infrastructure (previously part of Community Planning & Development and partially funded by permit revenue).
- **Right-Of-Way (ROW) Services:** Provide all aspects of maintenance for 84 miles of public roadways, from street sweeping and pothole repairs to sign installation and streetlight repairs. Manage trees in the public right-of-way for health and safety, control roadside vegetation to ensure safe sight distances and vehicle clearances, maintain sidewalks, and maintain planter beds on Island Crest Way and in the Town Center.
- **Water, Sewer, and Stormwater Utilities Services:** Provide business administration services and operational support to the City's water, sewer, and storm water utilities. Provide the full range of maintenance activities and operational expertise required for reliable 24-hour services from the City's water, sewer, and storm water utilities. Ensure compliance with all state and federal rules and regulations for public utilities.
- **Solid Waste Services:** Contract for curbside disposal and recycling services. Provide disposal options for hard-to-recycle items, ranging from home electronics and appliances to shredded paper and tires.
- **Facilities Services:** Provide preventative and corrective maintenance to all City buildings.
- **Fleet Services:** Provide preventative maintenance and repairs for more than 150 vehicles and pieces of heavy equipment through a combination of contracted services and one City staff member.
- **Parks Maintenance:** Maintain high demand, multi-use athletic fields, playgrounds, sport courts, swimming beaches, street-end waterfront access areas, hiking, biking and equestrian trails, open spaces areas, and picnic facilities. Provide arboricultural planning, project management, and consultation services for tree and urban forests in public open spaces and parks. Maintain and repair public art installations.
- **Customer Field Response Services:** Provide a quick and efficient response to a variety of customer requests involving City utilities and the public right-of-way.
- **Sustainability:** The City's sustainability programs work to advance sustainability and reduce carbon emissions on Mercer Island, demonstrate climate leadership, and serve as a model for environmental collaboration and innovation.

All these functions are organized around six teams as depicted on the next page.



### Operating Expenditures

Department Function	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
Administration	1,530,362	1,569,593	1,856,621	1,941,763	18.3%	4.6%
Right-of-Way Services	1,307,147	1,311,538	1,358,008	1,406,301	3.5%	3.6%
Water Utility Services	5,344,446	5,550,305	8,585,513	8,858,201	54.7%	3.2%
Sewer Utility Services	8,341,130	8,995,934	9,616,585	10,152,637	6.9%	5.6%
Stormwater Utility Services	1,456,358	1,354,767	1,723,033	1,785,283	27.2%	3.6%
Park Maintenance	2,667,242	2,674,874	3,063,260	3,204,382	14.5%	4.6%
Development Engineering	336,231	389,386	101,452	105,196	-73.9%	3.7%
Solid Waste Services	130,305	369,272	140,700	133,700	-61.9%	-5.0%
Facilities Services	1,193,844	1,744,286	1,032,779	1,086,272	-40.8%	5.2%
Fleet Services	526,243	600,048	551,732	572,795	-8.1%	3.8%
Customer Field Response Services	303,310	362,705	312,654	325,286	-13.8%	4.0%
<b>Total</b>	<b>23,136,618</b>	<b>24,922,708</b>	<b>28,342,337</b>	<b>29,571,816</b>	<b>13.7%</b>	<b>4.3%</b>

### 2025-2026 Work Plan

1. **Goal: Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community. (Adopted City Council 2025-2026 Priority, see AB 6435)**
  - 1.1 Work with the City Manager's Office and the Finance Department to develop the 2027-2028 budget recommendations.
  - 1.2 Work with the City Manager's Office to complete the design of the new Public Safety and Maintenance Building. Provide support for the other capital facility projects and staff relocation initiatives due to the permanent closure of City Hall in October 2023.
  - 1.3 Continue to improve the utility and efficiency of the Cityworks platform for asset management and work tracking.
    - 1.3.1 Increase staff skill, competency, and consistency of use in the Cityworks platform through regular trainings. This work is ongoing.

## Public Works

- 1.3.2 Refine Cityworks integration with other City software systems (e.g., SeeClickFix, finance system) to enhance operational efficiency by Q4 2026.
- 1.4 Continue succession planning for staff within the Department to address upcoming retirements within the team. Identify and nurture talent within the Department, cross-train maintenance and operations staff to ensure continuity of services across all lines of business; provide staff opportunities to improve knowledge and skills with an emphasis on leadership development training and strategically position the Department to fill key roles to sustain momentum. This work is ongoing.
- 1.5 Pursue grant opportunities and alternate funding sources that support City Council-approved projects and initiatives.

### **2. Goal: Provide safe, functional, and efficient delivery of public services and ensure preservation and maintenance of critical public infrastructure.**

#### **Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks. (Adopted City Council 2025-2026 Priority, see AB 6435)**

- 2.1 Develop and adopt the Transportation Improvement Program (TIP) by July 1 each year.
- 2.2 In partnership with Finance and other operating departments, develop the City's 2027-2032 Capital Improvement Program for City Council review and approval.
  - 2.2.1 Develop a six-year cash flow that balances anticipated resources with future community infrastructure needs.
  - 2.2.2 Evaluate and pursue outside funding as needed to support infrastructure investments that at minimum cost \$2.5 million with a useful life of at least 20 years.
  - 2.2.3 Support the Finance Department with work on a utility rate study to inform utility rate adjustments for review by the Utility Board for the 2027-2028 biennium by Q3 2025.
  - 2.2.4 Explore new long-term funding mechanisms for ongoing technology investments by Q4 2026.
  - 2.2.5 Revisit the funding plan (aka the sinking fund) for the replacement of synthetic turf athletic fields by Q2 2026.
- 2.3 Develop and begin implementation of the recommendations from the Water System Reliability Action Plan to improve resiliency within the distribution system:
  - 2.2.1 Design new water transmission pipeline in alternate location to replace existing 24" transmission pipeline.
  - 2.2.2 Continue feasibility study on emergency well improvements, including potability and connectivity to distribution system under emergency conditions.
  - 2.2.3 Conduct a feasibility assessment for a second emergency well on the south end of Mercer Island.
- 2.4 Complete a comprehensive performance review of the Recology solid waste contract relative to the requirements and standards established within the contract by Q4 2026.
- 2.5 Complete the Mercer Way Shoulders Improvement Program; East Mercer Way Roadside Shoulders Phase 11 will complete the Mercer Ways loop by Q3 2026.
- 2.6 Complete the sewer system Supervisory Control and Data Acquisition (SCADA) Project by Q4 2025.
- 2.7 Complete the Luther Burbank Docks and Waterfront Renovation project by Q4 2026.
- 2.8 Complete the Water Reservoir Improvements project to replace and improve aging components, notably the interior and exterior coatings, by Q2 2025.

- 2.9 Complete the Reservoir Booster Pump Station Upgrade project by Q1 2025.
  - 2.10 Complete the Water Meter Replacement data collector infrastructure by Q4 2025.
  - 2.11 Complete the Deane’s Children’s Park site design and select playground equipment replacement by Q4 2025. Begin design and public engagement process for Aubrey Davis Park Lid A playground. Continue implementation of the voter approved parks levy including the “base levy”, playground replacement, and forest management at Pioneer Park and Engstrom Open Space. Provide an annual report to the City Council on the progress and impact of the parks levy.
  - 2.12 Complete the Groveland and Clarke Beach Community Planning effort by Q4 2026 and identify a preferred concept for shoreline improvements.
  - 2.13 Continue ongoing soil and groundwater remediation at the former Honeywell Site and City Maintenance facility. Compliance is necessary to obtain a No Further Action letter from the Department of Ecology.
  - 2.14 Complete approved capital projects per the schedules identified in the capital improvement program (CIP). Provide regular updates to the City Council and the community on progress.
  - 2.15 Meet the annual National Pollution Discharge Elimination System (NPDES) permit requirements for the Stormwater Utility by March 31 each year.
  - 2.16 Continue the implementation of the Americans with Disabilities Act (ADA) Transition Plan. This work is ongoing.
- 3 Goal: Prepare for Sound Transit Interchange and King County Metro sewer construction.**
- 3.1 Work proactively with King County Metro and Sound Transit to minimize impacts to City infrastructure (streets and utilities), traffic (cars, pedestrians, bicycles), and the public by the sewer interceptor and Mercer Island Transit Interchange (MITI) projects and ensure that City infrastructure is restored to City standards. This work is ongoing.
- 4 Goal: Advance sustainable practices throughout the City organization and community, in partnership with regional initiatives.**
- 4.1 Implement City Council-directed strategies and actions from the adopted Climate Action Plan (CAP) by Q4 2026. Continue annual tracking and reporting on greenhouse gas emissions and maintain a public dashboard report. This work is ongoing.
    - 4.1.1 Work with the City Manager’s Office and Finance Department to pursue grants and additional funding that further the implementation of the CAP, including those related to municipal retrofits, EV charging, fleet electrification, and renewable energy generation and storage.
    - 4.1.2 Develop and implement an EV Charging Infrastructure Plan, in collaboration with Puget Sound Energy (PSE), that guides expansion of EV charging capacity throughout the city. The plan will include analysis and recommendations on the facilities and infrastructure required for the City and the Mercer Island School District to meet 2030 and 2050 fleet electrification goals.
    - 4.1.3 Develop and implement a municipal Environmental Preferable Purchasing Policy that prioritizes products with the lowest environmental impact. The policy will guide purchasing decisions within each department, including vehicle and fuel purchases, and construction materials.
  - 4.2 Continue implementation of the following initiatives:
    - 4.2.1 Participate in partnerships that promote residential energy-efficient electrification.

## Public Works

- 4.2.2 Increase the community's and City operations' rate of waste diversion from the landfill through recycling events, enhanced compost education, expanded curbside options and other alternative recycling programs.
- 4.2.3 Support legislation and programs that align with actions identified in the CAP, including participation in King County-Cities Climate Collaboration (K4C) and the Re+ program. This work is ongoing.
- 4.2.4 Work towards the CAP goal of carbon neutral municipal operations by 2030. Actions include promoting energy efficient operations, performing energy efficiency retrofits, and using sustainable approaches to building design and deconstruction.
- 4.2.5 Prepare for compliance with Washington State's Clean Building Performance Standard. Complete and implement an Energy Management Plan and Operations and Maintenance Plan for the Mercer Island Community and Event Center and begin gathering 12 months of data for energy benchmarking by Q2 2026.
- 4.2.6 Expand climate outreach and education efforts to support ongoing community engagement in climate action. Promote the City's new tree planting incentive program, solar panel expansion, and opting in to PSE's Green Power Program.
- 4.3 Research and implement mobility initiatives that help commuters access regional transit at the Town Center without single occupant vehicle usage.
- 4.4 Continue collaboration between the Parks Natural Resources, Stormwater Operations, and Capital Project teams to effectively coordinate maintenance and capital project work and adhere to stormwater best practices. Promote clean water and stormwater management initiatives in the community.
- 5 Goal: Sustain and enhance our natural environment, especially parks and open spaces, to benefit this generation and others that follow. (Adopted City Council 2025-2026 Priority, see AB 6435)**
  - 5.1 Complete costing analysis, review interlocal agreements, and work with the Mercer Island School District (MISD) to draft a new Master Facility Use Agreement to include facilities shared/jointly maintained between the MISD and the City by Q4 2026.
  - 5.2 Continue implementation of the goals and objectives identified in the Parks, Recreation and Open Space (PROS) Plan.
  - 5.3 Renegotiate the Washington State Department of Transportation (WSDOT) maintenance agreements for Aubrey Davis Park by Q4 2026.
  - 5.4 Continue to implement habitat restoration work in accordance with the Open Space Vegetation Management Plan and the Pioneer Park Forest Management Plan. This work is ongoing.
  - 5.5 Continue efforts to preserve and enhance the City's urban forest. Increase community outreach, education, and incentives to encourage tree planting on private land. Continue robust replanting and tree maintenance program on public lands.
- 6 Engage the qualified expertise necessary to provide the guidance to enable the development of a comprehensive long-range plan for Town Center which recognizes, addresses, and balances business, housing, and parking uses. (Adopted City Council 2025-2026 Priority, see AB 6435)**
  - 6.1 Support implementation of the actions identified in the Town Center Parking Plan. This work is ongoing.
  - 6.2 Implement Town Center beautification projects including hanging flower baskets, planted median beds, and seasonal tree illumination.

## Revenue &amp; Expenditure Summary

Description	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
<b>Revenues:</b>						
Beginning Fund Balance	-	-	-	-	N/A	N/A
Park Facility Use Fees	182,572	110,091	170,000	170,000	54.4%	0.0%
Real Estate Excise Tax	547,026	501,035	488,633	502,729	-2.5%	2.9%
Water Rates & Other Chgs	5,804,389	6,052,261	9,131,343	9,428,194	50.9%	3.3%
Sewer Rates & Other Chgs	8,780,678	9,481,688	10,247,542	10,813,137	8.1%	5.5%
Stormwater Rates & Other Chgs	1,812,689	1,756,530	2,123,909	2,204,531	20.9%	3.8%
Internal Charges	526,243	600,048	551,732	572,795	-8.1%	3.8%
Aubrey Davis Park Landscape	636,624	673,918	695,950	716,829	3.3%	3.0%
Development Fee Revenue	146,555	136,056	-	-	-100.0%	N/A
ARPA Funds	307,985	1,028,578	-	-	-100.0%	N/A
General Purpose Revenue	4,391,856	4,582,503	4,933,228	5,163,601	7.7%	4.7%
<b>Total Revenues</b>	<b>23,136,618</b>	<b>24,922,708</b>	<b>28,342,337</b>	<b>29,571,816</b>	<b>13.7%</b>	<b>4.3%</b>
<b>Expenditures:</b>						
Salaries & Wages	4,869,582	5,609,223	5,465,660	5,715,678	-2.6%	4.6%
Benefits	2,395,798	2,285,997	2,293,037	2,459,451	0.3%	7.3%
Supplies	943,124	850,485	883,400	913,100	3.9%	3.4%
Water Purchases	2,133,899	2,146,584	2,255,237	2,334,585	5.1%	3.5%
Contractual Services	1,763,062	2,794,879	1,934,750	1,942,750	-30.8%	0.4%
Communications	118,754	169,055	139,250	148,250	-17.6%	6.5%
Internal Service Charges	889,659	899,385	1,274,340	1,301,481	41.7%	2.1%
Insurance	448,636	466,183	811,703	853,889	74.1%	5.2%
Utilities	1,110,773	907,050	1,164,700	1,213,800	28.4%	4.2%
Other Services & Charges	972,699	933,190	1,049,585	1,114,109	12.5%	6.1%
King County Sewage Treatment	5,432,155	5,835,863	6,171,550	6,603,600	5.8%	7.0%
Intergovernmental Services	57,635	27,155	60,600	62,100	123.2%	2.5%
General Administration Support	777,138	832,177	1,383,348	1,449,224	66.2%	4.8%
Debt Service (Principal & Int)	1,127,833	1,165,482	3,455,177	3,459,799	196.5%	0.1%
<b>Total Expenditures</b>	<b>23,136,618</b>	<b>24,922,708</b>	<b>28,342,337</b>	<b>29,571,816</b>	<b>13.7%</b>	<b>4.3%</b>

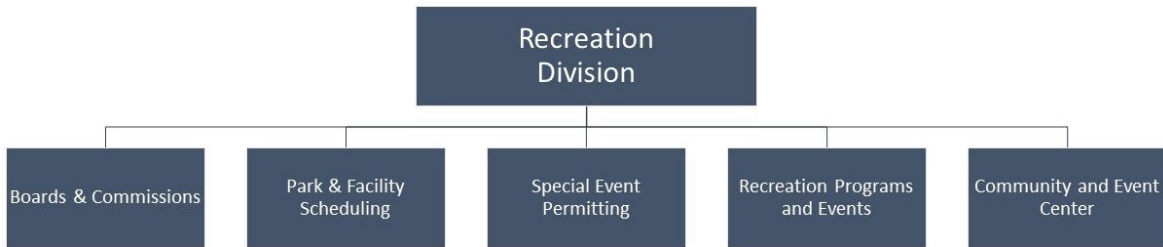


# RECREATION DIVISION

After a comprehensive restructure in 2021, the Recreation Division has focused on enhancing and broadening its services through a collaborative approach to community needs. During the 2023-2024 biennium, the Division expanded City-coordinated special events, increased drop-in participation, and established a new benchmark for annual bookings at the Mercer Island Community and Event Center (MICEC).

In addition, the Division utilized a flexible staffing model to expand service offerings. New online booking tools were implemented, staff were cross-trained, and youth and senior-aged recreation programming options were enhanced through partnerships and contractors. The adaptability of the Division provides ongoing support to the closure of City Hall and relocation of some services to the MICEC.

During the 2025-2026 biennium, the Recreation Division will focus on implementing additional efficiencies in rental booking processes to reduce direct costs, maximize usage, and to enhance the user experience. The Division will expand partnerships to increase revenues through donations and sponsorships and further enable program opportunities for youth and senior adults.



## Operating Expenditures

Department Function	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
Administration	809,787	886,629	822,186	868,890	-7.3%	5.7%
MI Community & Event Center	858,496	994,414	1,066,842	1,119,699	7.3%	5.0%
Recreation & Special Programs	295,624	371,876	439,789	450,169	18.3%	2.4%
<b>Total</b>	<b>1,963,906</b>	<b>2,252,919</b>	<b>2,328,817</b>	<b>2,438,758</b>	<b>3.4%</b>	<b>4.7%</b>

## 2025-2026 Work Plan

### 1. Goal: Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community. (Adopted City Council 2025-2026 Priority, see AB 6435)

- 1.1 Work with the Parks and Recreation Commission and Arts Council to develop and update policies identified in the Recreation Reset Strategy and/or as directed by the City Council.
  - 1.1.1 Support the City Manager's Office and Community Development Department in developing a new Parks Zone. Support the Parks and Recreation Commission in their review and development of a recommendation on the new Parks Zone for consideration by the Planning Commission and the City Council to include a community outreach and engagement process. Work is anticipated to be completed by Q4 2025.
  - 1.1.2 Collaborate with the Parks Maintenance Team to identify opportunities for community donations of park assets and establish an annual process of updating the "Gift Needs Inventory" by Q4 2026.
  - 1.1.3 Evaluate and update the Athletic Facilities Allocation and Use Policy and implement procedure changes as applicable. This work is ongoing.
  - 1.1.4 Develop and implement a Sport Court Allocation and Use Policy to address priority use of pickleball and tennis courts for endorsement by the Parks and Recreation Commission by Q2 2025.
  - 1.1.5 Evaluate and update Division policies and procedures to ensure alignment with the Climate Action Plan. This work is ongoing.
  - 1.1.6 Facilitate and promote comprehensive and engaging arts and culture experiences through ongoing community partnerships which are aligned with the biennially established Arts and Culture Priorities. This work is ongoing.
  - 1.1.7 Develop policy and procedures to support reduced-cost rental access to the MICEC for third party coordinated/partnered community events by Q4 2026.
  - 1.1.8 Collaborate with the Parks & Natural Resources Division and Capital Projects Division to expand the Recreation Division Annual Report to incorporate outcomes across all of Parks and Recreation by Q4 2026.
  - 1.1.9 Collaborate with the City Manager's Office, Parks & Natural Resources Division, Public Works leadership and Parks and Recreation Commission to recommend an update to the Municipal Code: Park Rules by Q4 2026.
- 1.2 Expand drop-in programming and rental opportunities for the Mercer Island Community and Event Center and outdoor facilities.
  - 1.2.1 Achieve and maintain an annual MICEC rental occupancy level of 2,200 bookings by end of Q4 2026, which represents an increase of 23% compared to 2023 bookings.
  - 1.2.2 Achieve and maintain annual drop-in programming participation of 17,000 individual visits by Q4 2026, which represents an increase of 10% compared to 2023 drop-in participants.
  - 1.2.3 Evaluate and develop plans for seasonal and year-round programming at the Luther Burbank Docks and Boiler Building based on goals and objectives established in the PROS Plan by Q4 of 2026. Prepare budget proposals for funding consideration as part of the 2027-2028 biennial budget.

## Recreation Division

- 1.2.4 Create and implement a web-based calendar for the MICEC and athletic fields to enhance ease of access and booking of facilities by Q1 of 2026.
  - 1.3 Collaborate with local community organizations to implement diverse community events annually in park spaces through the application of the Special Event Sponsorship Policy.
  - 1.4 Develop and implement comprehensive marketing and communication plans for Division services focusing on strategies & methods to engage diverse sections of the population by Q4 2026.
  - 1.5 Achieve and maintain post-rental and program participant satisfaction levels of 90% as measured through end-of service surveys.
  - 1.6 Develop and implement fifteen (15) City-coordinated community special events annually by Q4 2025.
  - 1.7 Provide staff support for the Parks & Recreation Commission and the Arts Council.
- 2. Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks.** (Adopted City Council 2025-2026 Priority, see AB 6435)
- 2.1 Collaborate with the Finance Department and Capital Projects Team, revisit the funding plan (aka the sinking fund) for the replacement of synthetic turf athletic fields by Q4 2026.
  - 2.2 Review user satisfaction and the operational effectiveness of the Division's registration and facility booking software (PerfectMind/Xplore Recreation) by Q2 2025.
    - 2.2.1 Collaborate with the IT Department to identify opportunities for integration with other systems (e.g. Finance Software) to increase staff efficiency in booking and registration processes by Q4 2026.
    - 2.2.2 Dependent on outcomes of 2.2 and 2.2.1, evaluate options to expand, upgrade, or replace the PerfectMind/Xplore Recreation booking software by Q3 2026. Prepare a budget proposal for consideration as part of the 2027-2028 biennial budget.
  - 2.3 Collaborate with the Support Services Division to identify and plan for capital reinvestment at the MICEC. This work is ongoing.
- 3. Goal: Provide emergency response services related to City emergencies.**
- 3.1 Support the citywide response to the closure of City Hall.
  - 3.2 Utilize the MICEC to host shelter operations, and to meet cooling and warming center needs. Provide staffing support and access to the MICEC for board, commission, and City Council meetings.
  - 3.3 Provide facility access and booking support to all City departments.
  - 3.4 Enable and provide community engagement opportunities to all City departments.

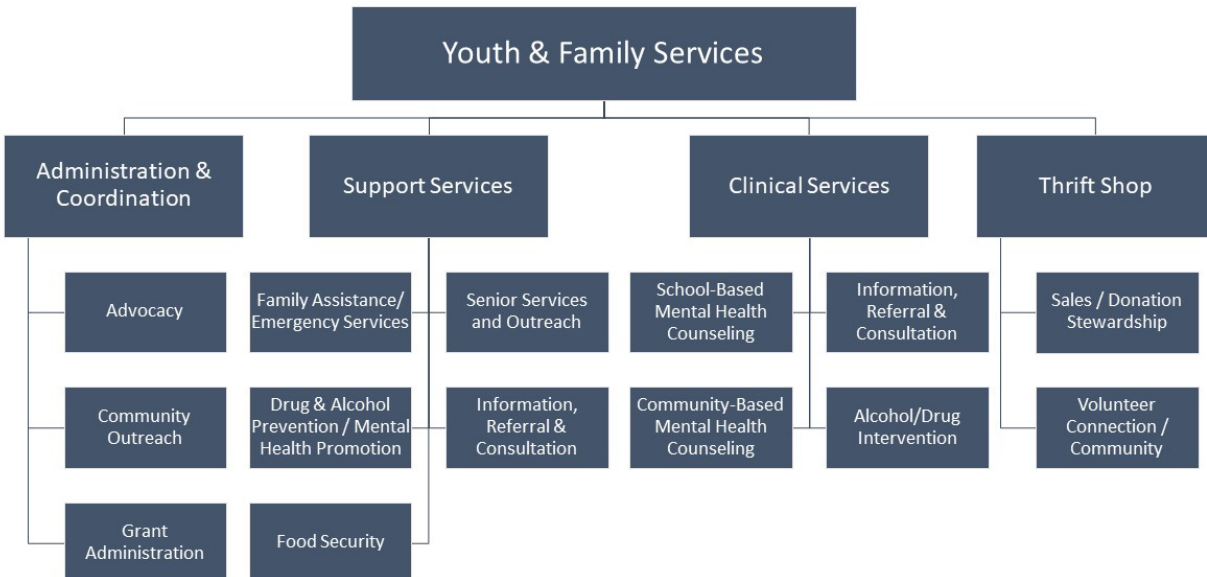
**Revenue & Expenditure Summary**

Description	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	24-25	25-26
<b>Revenues:</b>						
Beginning Fund Balance	-	-	-	-	N/A	N/A
Grant Revenue	14,500	25,665	41,000	41,000	59.8%	0.0%
1% for the Arts Fund	13,582	35,000	15,000	15,000	-57.1%	0.0%
Boat Launch Ticket Sales	35,102	28,736	35,000	35,000	21.8%	0.0%
Recreation and Special Programs	171,009	188,410	175,000	180,000	-7.1%	2.9%
MI Community & Events Center	784,534	976,881	991,500	1,006,500	1.5%	1.5%
General Purpose Revenue	945,180	998,227	1,071,317	1,161,258	7.3%	8.4%
<b>Total Revenues</b>	<b>1,963,906</b>	<b>2,252,919</b>	<b>2,328,817</b>	<b>2,438,758</b>	<b>3.4%</b>	<b>4.7%</b>
<b>Expenditures:</b>						
Salaries & Wages	923,116	1,023,436	1,070,358	1,133,390	4.6%	5.9%
Benefits	310,963	421,686	422,718	455,832	0.2%	7.8%
Supplies	107,354	96,500	105,000	105,000	8.8%	0.0%
Contractual Services	352,272	430,500	416,200	421,200	-3.3%	1.2%
Communications	3,431	4,200	4,000	4,000	-4.8%	0.0%
Internal Service Charges	121,627	125,097	102,641	107,236	-18.0%	4.5%
Utilities	107,656	95,000	113,100	116,600	19.1%	3.1%
Other Services & Charges	23,509	39,000	39,600	39,900	1.5%	0.8%
Intergovernmental Services	13,978	17,500	15,200	15,600	-13.1%	2.6%
<b>Expenditures</b>	<b>1,963,906</b>	<b>2,252,919</b>	<b>2,328,817</b>	<b>2,438,758</b>	<b>3.4%</b>	<b>4.7%</b>

# YOUTH & FAMILY SERVICES

The Youth & Family Services (YFS) Department provides a wide range of human services for Mercer Island residents. These services include programs in the behavioral health domain that offer mental health counseling and intervention, prevention of risk behaviors, senior case management, emergency family assistance, food security, and community level risk factor prevention and health promotion. YFS is organized around the following functions:

- Administrative/Coordination Services:** Provide managerial direction, oversight, program coordination, security and privacy compliance, and administrative support to YFS Department programs and staff. Execute targeted planning efforts to ensure service configuration reflects community needs and explore, vet, and execute options to increase revenues for community and human services.
- Community-Based Programming and Clinical Services:** Provide a wide array of coordinated community-based and school-based services to children, youth, couples, individuals, families, and seniors at the Luther Burbank Administration Building and each of the public schools in the Mercer Island School District. Services include mental health counseling and substance abuse intervention services; financial, food, rent, and other basic assistance to low-income individuals and families; senior outreach and case management; information, referral, and consultation services; and community-wide mental health promotion and substance abuse prevention.
- Mercer Island Thrift Shop:** A grassroots, community-based retail thrift business that raises funds to support the programs of Youth & Family Services. The Thrift Shop provides a resource for re-use and recycling of community members' donations; provides opportunities for volunteers of all ages; and generates revenues for the YFS Department's array of human services.



**Operating Expenditures**

Department Function	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	23-24	25-26
Administration	353,619	512,258	495,755	519,783	-3.2%	4.8%
Professional Services	1,883,619	1,906,844	2,107,975	2,218,134	10.5%	5.2%
Thrift Shop	997,554	1,171,951	1,272,773	1,372,915	8.6%	7.9%
<b>Total</b>	<b>3,234,792</b>	<b>3,591,053</b>	<b>3,876,503</b>	<b>4,110,832</b>	<b>7.9%</b>	<b>6.0%</b>

**2025-2026 Work Plan**

1. **Goal: Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community.** *(Adopted City Council 2025-2026 Priority, see AB 6435)*
  - 1.1 Work with the City Manager, Finance, and community partners on a stabilization plan for YFS revenues. This work is tied to Thrift Shop operations and development of a sustainable long-term funding strategy. This work is ongoing.
  - 1.2 Continue to partner and collaborate with the MIYFS Foundation on community fundraising campaigns. Meet regularly with the MIYFS Foundation to coordinate fundraising strategies to address both short-term and long-term funding needs. This work is ongoing.
  - 1.3 Explore new funding opportunities for YFS programming, including grants. This work is ongoing.
2. **Goal: Provide Access to Mental Health Services to all MISD Students**
  - 2.1 Renew the Interlocal Agreement with the Mercer Island School District (MISD) annually.
  - 2.2 Ensure YFS mental health and substance use intervention/prevention counseling services are accessible to all students in the MISD by providing at least one Clinical Team staff member at each elementary school and two staff members at the middle school and high school.
  - 2.3 Continue to monitor and integrate behavioral health data and emerging intervention strategies to address the ongoing youth mental health crisis and adverse impacts from the COVID-19 Pandemic. This work is ongoing.
3. **Goal: Scale Community Based Mental Health Services to Meet Demand**
  - 3.1 Maintain outpatient mental health services and the clinical intern program, with two to four unpaid, 9-12-month, graduate level interns placed annually.
  - 3.2 Continue public outreach campaigns to address community mental health needs related to the COVID-19 Pandemic recovery and other emerging issues.
  - 3.3 Update department outcome/output tracking and develop template for annual reporting mechanism by Q1 2025.
4. **Goal: Provide Emergency Assistance and Geriatric Case Management**
  - 4.1 Provide food support for residents facing food insecurity.
  - 4.2 Provide emergency financial assistance support as available including case management and resource/referral support each year of the biennium. Continue collaboration with the YFS Foundation to raise and pass through funds to meet additional emergency assistance needs.
  - 4.3 Provide geriatric case management services and resources/referral each year of the biennium

## Youth & Family Services

### **5. Goal: Implement Trauma-Informed Approaches (TIA) Organizational Development**

- 5.1 Re-implement TIA organizational assessment for the YFS department by Q2 2026
- 5.2 Continue to integrate TIA concepts into weekly clinical team meetings, monthly YFS All Staff meetings, administrative operations, and direct clinical and case management work. This work is ongoing.

### **6. Goal: Seek Funding Sustainability for the Healthy Youth Initiative**

- 6.1 Monitor regional and federal funding opportunities for substance use prevention and mental health promotion programming to determine eligibility for available funding. This work is ongoing.
- 6.2 Maintain regional and national relationships that are conducive to competitive grant applications. This work is ongoing.
- 6.3 Apply for any eligible funding to sustain Healthy Youth Initiative programming beyond the 2025-2026 biennium. This work is ongoing.

### **7. Goal: Integrate Equity and Social Justice Practices**

- 7.1 Schedule annual diversity, equity, and inclusion trainings and consultation targeted for mental-health professionals and human services providers.
- 7.2 Hold quarterly mental health-specific consultation sessions during clinical team meetings in partnership with regional human service organizations or providers/experts. This work is ongoing.

### **8. Goal: Grow Thrift Shop operations and work towards optimizing sales.**

- 8.1 Increase annual revenues by 10% each year of the biennium based on FY 2024 gross revenues.
- 8.2 Utilize sales and special events to draw customers for high-impact sale days.
- 8.3 Implement a volunteer hiring program that covers specific hours and positions to increase donation processing, production, and customer service efficiency. This work is ongoing.
- 8.4 Standardize production and donation processes and implement staff cross training to ensure consistency and best practice.
- 8.5 Develop a marketing and education strategy to better inform the community about the Thrift Shop and its mission to support YFS services and programs by Q4 2025.
- 8.6 Continue upgrading and expansion of retail space in the shop to increase revenue and customer shopping experience.
- 8.7 Collaborate with YFS to enhance and expand positive social externalities of Thrift Shop operations.

**Revenue & Expenditure Summary**

Description	2023	2024	2025	2026	Percent Change	
	Actual	Forecast	Budget	Budget	23-24	25-26
<b>Revenues:</b>						
YFS Operating Reserve	-	-	468,657	499,683	N/A	6.6%
Federal, State & Local Grants	324,980	408,895	407,417	402,200	-0.4%	-1.3%
MI School District (Shared Cost)	60,000	60,000	60,000	60,000	0.0%	0.0%
Thrift Shop Sales	1,571,418	1,723,108	1,895,000	2,080,000	10.0%	9.8%
Program Fees & Donations	152,253	158,968	292,364	305,291	83.9%	4.4%
Emergency Assistance Program Support	177,497	112,500	115,000	115,000	2.2%	0.0%
MIYFS Foundation Support	515,000	515,000	515,000	515,000	0.0%	0.0%
Opioid Settlement Funds	-	178,591	48,000	48,000	-73.1%	0.0%
Transfer from General Fund	124,722	150,000	350,000	350,000	133.3%	0.0%
Transfer from Contingency	217,725	-	-	-	N/A	N/A
ARPA Funding	522,343	600,000	-	-	-100.0%	N/A
<b>Total Revenues</b>	<b>3,665,938</b>	<b>3,907,062</b>	<b>4,151,438</b>	<b>4,375,174</b>	<b>6.3%</b>	<b>5.4%</b>
<b>Expenditures:</b>						
Salaries & Wages	1,736,676	1,925,492	2,272,479	2,420,642	18.0%	6.5%
Benefits	651,985	852,957	982,343	1,049,291	15.2%	6.8%
Supplies	44,282	52,150	50,750	50,750	-2.7%	0.0%
Contractual Services	302,503	357,840	196,325	207,700	-45.1%	5.8%
Communications	16,186	8,700	17,000	18,000	95.4%	5.9%
Internal Service Charges	115,679	119,248	128,486	134,589	7.7%	4.7%
Utilities	13,896	14,000	14,100	14,100	0.7%	0.0%
Other Services & Charges	346,713	252,550	207,440	207,440	-17.9%	0.0%
Intergovernmental Services	6,872	8,116	7,580	8,320	-6.6%	9.8%
<b>Total Expenditures</b>	<b>3,234,792</b>	<b>3,591,053</b>	<b>3,876,503</b>	<b>4,110,832</b>	<b>7.9%</b>	<b>6.0%</b>