



# CITY OF MERCER ISLAND

## CITY COUNCIL REGULAR HYBRID MEETING

Tuesday, March 15, 2022 at 5:00 PM

### MERCER ISLAND CITY COUNCIL:

Mayor Salim Nice, Deputy Mayor David Rosenbaum,  
Councilmembers: Lisa Anderl, Jake Jacobson,  
Craig Reynolds, Wendy Weiker, and Ted Weinberg

### LOCATION & CONTACT:

Mercer Island City Hall and via Zoom  
9611 SE 36th Street | Mercer Island, WA 98040  
206.275.7793 | [www.mercerisland.gov](http://www.mercerisland.gov)

In compliance with the Americans with Disabilities Act, those requiring accommodation for Council meetings should notify the City Clerk's Office at least 24 hours prior to the meeting at 206.275.7793.

**Registering to Speak for Appearances:** Individuals wishing to speak live during Appearances (public comment period) must register with the City Clerk at **206.275.7793** or [cityclerk@mercerisland.gov](mailto:cityclerk@mercerisland.gov) before 4 PM on the day of the Council meeting.

Please reference "Appearances" on your correspondence and state if you would like to speak either in person at City Hall or remotely using Zoom. If providing your comments using Zoom, staff will be prepared to permit temporary video access when you enter the live Council meeting. Please remember to activate the video option on your phone or computer, ensure your room is well lit, and kindly ensure that your background is appropriate for all audience ages. Screen sharing will not be permitted, but documents may be emailed to [council@mercerisland.gov](mailto:council@mercerisland.gov).

Each speaker will be allowed three (3) minutes to speak. A timer will be visible in Council Chambers, online to speakers, City Council, and meeting participants. Please be advised that there is a time delay between the Zoom broadcast and the YouTube or Channel 21 broadcast.

**Join by Telephone at 5:00 PM (Appearances will start sometime after 7:30 PM):** To listen to the meeting via telephone, please call **253.215.8782** and enter Webinar ID **841 1641 5387** and Password **730224** if prompted.

**Join by Internet at 5:00 PM (Appearances will start sometime after 7:30 PM):** To watch the meeting over the internet via your computer, follow these steps:

- 1) Click this [link](#)
- 2) If the Zoom app is not installed on your computer, you will be prompted to download it.
- 3) If prompted for Webinar ID, enter **841 1641 5387**; Enter Password **730224**
- 4) The City Clerk will call on you by name or refer to your email address when it is your turn to speak. Please confirm that your audio works prior to participating.

**Join in person at Mercer Island City Hall at 5:00 PM** – Council Chambers - 9611 SE 36<sup>th</sup> Street

**Submitting Written Comments:** Written comments may be submitted at the Mercer Island [Let's Talk Council Connects](#) page. Written comments received by 3 PM on the day of the meeting will be forwarded to all Councilmembers and a brief summary of the comments will be included in the minutes of the meeting.

## MEETING AGENDA

### EXECUTIVE SESSION - 5:00 PM

#### 1. Pending or Potential Litigation

Executive Session to discuss with legal counsel pending or potential litigation pursuant to RCW 42.30.110(1)(i)

#### Collective Bargaining

Executive Session for planning or adopting the strategy or position to be taken by the City Council during the course of any collective bargaining, professional negotiations, or grievance or mediation proceedings, or

reviewing the proposals made in the negotiations or proceedings while in progress pursuant to RCW 42.30.140(4)(b)

## CALL TO ORDER & ROLL CALL - 6:00 PM

## PLEDGE OF ALLEGIANCE

## AGENDA APPROVAL

## STUDY SESSION

### 1. AB 6037: Island Crest Way Corridor Safety Analysis

**Recommended Action:** Receive report and provide initial comments and feedback. No formal action required.

## SPECIAL BUSINESS

### 2. AB 6038: 2020 Financial, Federal and Accountability Audi Exit Conference

**Recommended Action:** Receive and review the Exit Conference Report from the Washington State Auditor's Office.

## CITY MANAGER REPORT

**APPEARANCES** (This is the opportunity for anyone to speak to the City Council on any item.) ~ **7:30PM**

## CONSENT AGENDA

### 3. AB 6035: February 25, 2022 Payroll Certification

**Recommended Action:** Approve the February 25, 2022 Payroll Certification (Exhibit 1) in the amount of \$863,447.26 and authorize the Mayor to sign the certification on behalf of the entire City Council.

### 4. Certification of Claims

A. Check Register 210901-211018 | 2/25/2022 | \$529,550.66

B. Check Register 211019-211083 | 3/4/2022 | \$907,110.86

**Recommendation Action:** Certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

### 5. REVISED City Council Meeting Minutes of March 1, 2022

**Recommended Action:** Adopt the City Council Special Video Meeting Minutes of March 1, 2022 as presented.

### 6. AB 6026: 2019 Arterial and Residential Street Overlays

**Recommended Action:** Accept the completed 2019 Arterial and Residential Street Overlays project and authorize staff to close out the contract.

### 7. AB 6027: 2020 Arterial and Residential Street Overlays

**Recommended Action:** Accept the completed 2020 Arterial and Residential Street Overlays project and authorize staff to close out the contract.

## REGULAR BUSINESS

### 8. AB 6040: Consider 2024 Comprehensive Plan Periodic Review Scope of Work, Master Schedule, and Public Participation Plan and related Port of Seattle Economic Development Grant Funding for 2022-23

**RECOMMENDED ACTION:**

1. Approve Resolution No. 1621, adopting the scope of work, master schedule and public participation plan including the establishment of the Economic Development Work Group and the Housing Work Group for the 2024 periodic review of the Mercer Island Comprehensive Plan as [presented / amended].

2. Direct the City Manager to pursue an economic development grant from the Port of Seattle for the 2022-2023 grant cycle to support the development and implementation of a new Comprehensive Plan Economic Development Element.

**9. AB 6036: Development Code Amendment ZTR21-004 Town Center Retail Requirements – Ordinance No. 21C-28 (Third Reading)**

**Recommended Action:** Receive the Planning Commission’s recommendation, conduct a third reading of Ordinance No. 21C-28, and provide legislative direction to staff.

**10. AB 6041: 2022 City Council Planning Session Agenda**

**Recommended Action:** Approve the 2022 City Council Planning Session agenda as presented.

**OTHER BUSINESS**

**11. Planning Schedule**

**12. Councilmember Absences & Reports**

**ADJOURNMENT**



# BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

**AB 6037**  
**March 15, 2022**  
**Study Session**

## AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 6037: Island Crest Way Corridor Safety Analysis	<input checked="" type="checkbox"/> Discussion Only <input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Receive report. No formal action required.	

<b>DEPARTMENT:</b>	Public Works
<b>STAFF:</b>	Jason Kintner, Chief of Operations Patrick Yamashita, City Engineer Lia Klein, Transportation Engineer
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Island Crest Way Safety Analysis
<b>CITY COUNCIL PRIORITY:</b>	n/a

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

## SUMMARY

The purpose of this agenda bill is to introduce the results of the Island Crest Way Corridor Safety Analysis (see Exhibit 1) to the City Council. The one-mile section of the Island Crest Way corridor from 90th Avenue SE to SE 68th Street was analyzed by the consultant team (DKS Associates) with input from City staff, the community, and school district staff.

- The City Council added the Island Crest Way Corridor Safety Analysis to the Six-Year TIP last year and directed staff to present the results and recommendations in Q1 2022.
- DKS Associates was hired in October 2021 to perform the analysis.
- The analysis included assessments of traffic operations, safety needs/crash history, community engagement, and findings/recommendations.
- The results of the analysis will inform Public Works maintenance activities and future planning of capital improvement projects along the corridor to maintain and enhance safety.
- Public Works Right-of-Way crews have begun implementation of some short-term recommendations.

## BACKGROUND

The City Council added the Island Crest Way Corridor Safety Analysis to the Six-Year Transportation Improvement Program (TIP) last spring. The intent was to assess and analyze existing safety conditions along a one-mile segment of Island Crest Way from 90th Avenue SE to SE 68th Street (ICW Corridor) and to present

results and recommendations to the Council in Q1 2022.

Island Crest Way is an arterial street running down the spine of Mercer Island. The area focused for this report includes routes to several public schools in the area, including Island Park Elementary School, Islander Middle School, and a private high school (Northwest Yeshiva High School). It is also a route to several parks - Island Crest Park, Deane’s Children’s Park, Pioneer Park, and the South Mercer Playfields.



DKS Associates was hired in October 2021 to perform the analysis. The assessment included:

- Review of existing traffic operations,
- An evaluation of safety needs which included the review of existing crash data, lighting, vegetation, signage, and pavement markings.
- A community survey to solicit feedback on their experience and identify concerns along the corridor
- Findings and recommendations

The results of the analysis will inform Public Works maintenance activities and future planning of capital improvement projects along the corridor to maintain and enhance safety.

Staff and DKS will provide an overview of the analysis and recommendations during the Study Session.

### **ANALYSIS COMPONENTS**

The analysis contained three primary components/phases. The first involved an assessment of existing traffic operations. The second involved an assessment of safety needs including a public survey from users regarding their experience and concerns about Island Crest Way. The analysis concluded with development of findings and recommendations informed by the results of the previous phases. These are compiled in Exhibit 1. The following provides additional information regarding the components of the study.

#### Traffic Operations

A detailed assessment of traffic operations along the corridor was completed, focusing on intersections (SE 53rd Place, SE 54th Street, and SE 68th Street), pedestrian crossing locations, and parking lot access near Island Park Elementary School. Traffic volume and speed data was used to develop a traffic model detailing the existing “level of service” (an established metric for the delay experienced by road users) for each major intersection along the corridor. Field observations were made during both the morning and evening peak traffic periods and school pick-up/drop-off times to verify the results of the model and to further document traffic issues in the area.

#### Safety Needs & Community Engagement

A comprehensive safety analysis was conducted, including an investigation of historical crash data, discussions with relevant stakeholders (e.g., school officials), and field observations. Locations and characteristics of the collisions that occurred in recent years were analyzed to determine potential safety issues. Conversations with school district staff and site visits were conducted to gather additional information about current conditions.



The City published a survey on [Let's Talk](#) to gather feedback from the community on their experiences and concerns along the corridor. The survey was posted on Let's Talk from December 3, 2021 to January 3, 2022. It was promoted via email, the MI Weekly, through the Island Park Elementary School, on social media (Facebook and NextDoor), and on a portable message board along the Island Crest Way walking trail. The City received 499 submissions to the survey, which were used to identify and develop priorities for the corridor. A summary of the survey results are available to on the [Let's Talk page](#).

#### Findings and Recommendations

The results of the safety analysis were used to create a comprehensive list of short-term and long-term potential improvements to provide both spot improvements to enhance specific locations and corridor-wide improvements to address the needs of the entire corridor. The proposed safety improvement (called "countermeasure"), estimated cost, location and next steps are described in Exhibit 1 for each potential safety treatment. Staff and DKS will provide an overview of the analysis and recommendations at the study session.

#### **LOOKING AHEAD**

City staff have begun the process of evaluating and addressing many of the short-term recommendations in-house through work completed by the Public Works Right-of-Way team. Additional analysis and planning for larger scale, longer term improvements will be proposed by staff as part of the annual update of the Six-year Transportation Improvements Program (TIP). The public hearing and City Council preview of the draft TIP will be on May 3.

#### **RECOMMENDED ACTION**

Receive report and provide initial comments and feedback. No formal action required.

# ISLAND CREST WAY

# SAFETY RECOMMENDATIONS

CITY OF MERCER ISLAND

MARCH 2022



## PREPARED FOR

**City of Mercer Island:** Lia Klein, Patrick Yamashita, and Jason Kintner

## PREPARED BY

**DKS Associates:** Brian Chandler, Veronica Sullivan, Yilun Xu, and Lacy Brown

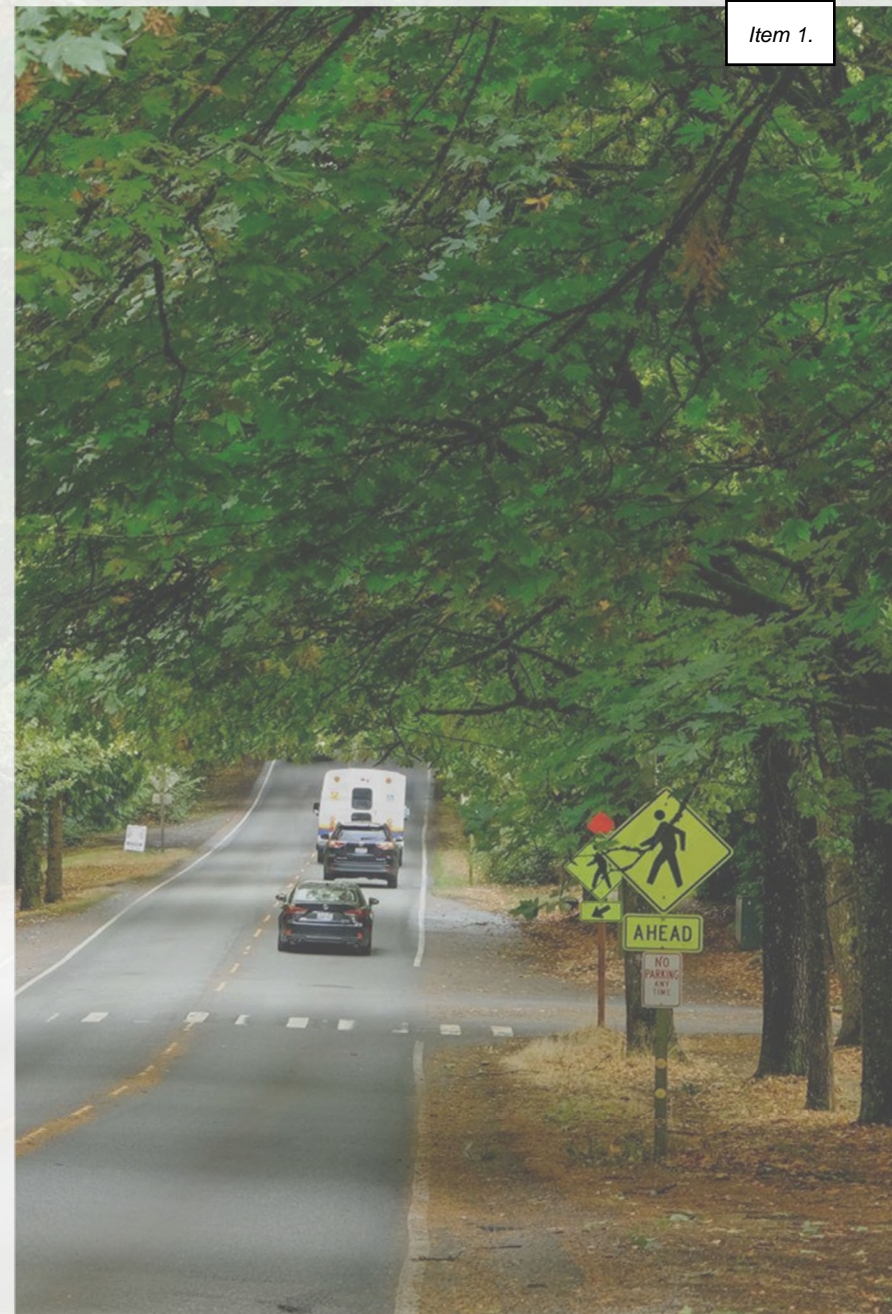
## INTRODUCTION

The City of Mercer Island desires to evaluate and improve the operations and safety along a 1-mile segment of Island Crest Way between 90th Avenue SE and SE 68th Street. The study team analyzed existing safety conditions along the roadway and at intersections, providing safety and operational findings from data analysis and field assessment in the Safety Needs Identification Technical Memo and the Existing Traffic Operation Memo. The purpose of this memorandum is to provide recommendations to address transportation needs identified in the previous memos.

The team combined existing conditions observations; their experience implementing roadway safety solutions; and feedback from City staff, school district officials, and the public to identify potential safety treatments.

### Limitations on Use

Under 23 U.S. Code Sections 148 and 409, safety data, reports, surveys, schedules, or lists compiled or collected for the purpose of identifying, evaluating, or planning the safety enhancement of potential crash sites, hazardous roadway conditions, or railway-highway crossings are not subject to discovery or admitted into evidence in a Federal or State court proceeding or considered for other purposes in any action for damages arising from any occurrence at a location mentioned or addressed in such reports, surveys, schedules, lists, or data.





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## OVERVIEW OF SAFETY NEEDS

The study corridor is a two-way undivided road that spans approximately 1 mile from 90th Avenue SE to SE 68th Street, as shown in Figure 1. Through analysis of collision history and traffic operations data, field visits to the site, discussions with school district staff, and data reported from a public survey,<sup>1</sup> the study team identified the following safety needs along Island Crest Way:

- Between 2015 and 2020, there were 43 reported crashes along the study corridor, including three serious injury crashes.
- Based on feedback from an online survey, the two most common concerns along the corridor were bicyclist safety and lighting (85 comments about lighting alone).
- The 19 marked crosswalks on this corridor had 29 end points/ramps. Only four of these ramps meet current ADA accessibility standards.
- Vegetation covers signs and limits sight distance at several locations along the Island Crest Way corridor.
- At night, worn and faded pavement markings including edgeline striping, centerline striping, and crosswalks are difficult to see.
- Sign clutter for southbound motorists at SE 68th Street reduces the clarity of the message for these road users.
- The overhanging tree canopy affects sight distance and nighttime light coverage at the SE 68th Street intersection.
- The bike route crossing near SE 62nd Street has no pavement markings or signage for the northbound approach to warn vehicles of potential cyclists crossing the road.
- The SE 53rd Place intersection provides the only exit/entrance point for school buses to access the school parking lot. The community has raised concerns regarding the safety of the side street approaches turning onto Island Crest Way.
- The SE 68th Street intersection has experienced the highest frequency of collisions in the study area.

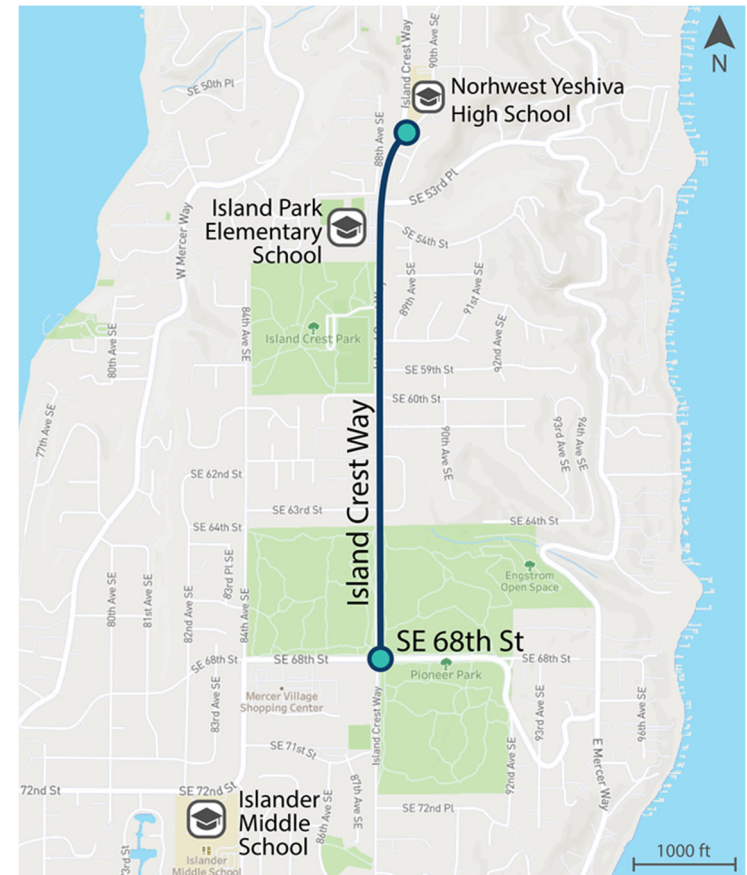


FIGURE 1. STUDY CORRIDOR MAP

<sup>1</sup> Public survey was posted on the City's "Let's Talk website from 12/3/21-1/3/22. 499 respondents provided feedback, 57% of whom travel along Island Crest Way daily.

## ADDRESSING SAFETY NEEDS

During data analysis, the team identified collision patterns that may be addressed by proven safety treatments. For example, a predominant collision type at the all-way stop controlled intersection of Island Crest Way and SE 68th Street involved southbound vehicles. Enhancing signing, pavement marking, and lighting at the intersection could help prevent future collisions.

Along the study corridor, the team discovered that crashes involving driver inattention, distraction, and following too closely were predominant, often resulting in rear-end collisions when vehicles were stopped to turn left or to wait for pedestrians to cross Island Crest Way or the side street. If the following vehicle did not notice the need for the lead vehicle to stop, a rear-end crash occurred.

The on-site field assessment with Mercer Island staff and officials from Island Park Elementary School and the school district provided additional information to the study team. For example, northbound and southbound traffic often backs up near the school as drivers wait for crossing pedestrians at the pedestrian crossing and Rectangular Rapid Flashing Beacon (RRFB) near the south entrance. To address this issue, the study team identified a Pedestrian Hybrid Beacon (PHB) crossing as a potential countermeasure to improve pedestrian safety and reduce vehicle delay. A PHB signal is a special kind of pedestrian traffic signal placed overhead. It is designed to increase motorists' awareness of pedestrians crossing the road. Like an RRFB, it is activated by pedestrians pressing a button, but a PHB includes a red light for motorists, legally requiring them to stop.

To connect safety needs to potential solutions along Island Crest Way, the study team used their knowledge of applied best practices to recommend improvement types in four areas:

- **Short-term Corridor-wide** treatments are countermeasures the City could apply quickly and at a low cost to address overall corridor safety along Island Crest Way. Example: Clear vegetation covering signs along Island Crest Way and at side street Stop signs.
- **Short-term Hot Spot** recommendations are typically low-cost and applied at a specific location. Example: At SE 68th Street, improve the Stop signs by adding reflective post sleeves, adding ALL WAY plaques, and removing advertisements from the sign islands.
- **Long-term Corridor-wide** treatments will benefit the entire corridor, but require additional analysis, design, and resources to complete. Example: Improve the east-side sidewalk to a full multi-use path for pedestrians and bicyclists.
- **Long-term Hot Spot** improvements are expected to improve traffic safety and operations significantly at an individual location. Example: Replace the 4-way stop at Island Crest Way and 68th Street with a roundabout.

The following sections are organized with these improvement types in mind.

## CORRIDOR-WIDE SAFETY TREATMENTS

Table 1 introduces recommended corridor-wide safety treatments, looking at both short-term and long-term solutions to improve safety along the entire Island Crest Way corridor from 90th Avenue SE to SE 68th Street.

**TABLE 1. CORRIDOR-WIDE SAFETY TREATMENTS**

IDENTIFIED SAFETY NEED	CORRIDOR-WIDE SAFETY TREATMENTS
<p><b>Lighting</b></p> <ul style="list-style-type: none"> <li>● 21% of crashes reported dark conditions with street lights on.</li> <li>● Two street lights were not functioning at SE 58<sup>th</sup> Street entrance on the east side of Island Crest Way.</li> <li>● No lighting provided at the trail entrance south of SE 62nd St.</li> </ul>	<p><b>Short-term</b></p> <ul style="list-style-type: none"> <li>● Upgrade existing luminaires to current standard (or confirm if completed).</li> </ul> <p><b>Long-term</b></p> <ul style="list-style-type: none"> <li>● Conduct a corridor-wide assessment of lighting needs and implement lighting upgrades to meet standards.</li> </ul>
<p><b>Active Transportation</b></p> <ul style="list-style-type: none"> <li>● 12% of crashes involved a bicyclist or pedestrian.</li> <li>● There are no bike lanes on the road.</li> <li>● There is no crosswalk or marked crossing south of SE 62nd Street where it leads to the bike trail.</li> <li>● The informal path on the west side of Island Crest Way, just south of the Elementary School, is not easy to traverse for all pedestrians.</li> <li>● Vegetation coverage impedes drivers’ visibility of pedestrians and bicyclists, and pedestrians’ and bicyclists’ visibility of vehicles.</li> </ul>	<p><b>Short-term</b></p> <ul style="list-style-type: none"> <li>● Add crosswalk markings and restripe worn markings.</li> <li>● Add reflective sleeves to all pedestrian crossing warning sign posts.</li> <li>● Add left-mounted pedestrian crossing sign and diagonal-down arrow at each crossing.</li> <li>● Trim vegetation near all pedestrian crossings to increase visibility.</li> </ul> <p><b>Long-term</b></p> <ul style="list-style-type: none"> <li>● Assess lighting at each pedestrian crossing and add pedestrian-scale lighting at any deficient locations.</li> <li>● Improve westside informal path to meet shared use path standards (e.g., path width and surface type).</li> </ul>

IDENTIFIED SAFETY NEED	CORRIDOR-WIDE SAFETY TREATMENTS
	<ul style="list-style-type: none"> <li>Widen the east side path to a minimum of 10 ft. standard to make it a designated shared use path.<sup>2</sup></li> </ul> <p><i>Assessment of current conditions revealed that shared use paths are the most reasonable method to address bicyclist needs along this section of the corridor.</i></p>
<p><b>Signage</b></p> <ul style="list-style-type: none"> <li>Red/white object markers in the median are non-standard and not easy for motorists to see.</li> <li>Some side street Stop signs were not retroreflective in dark conditions, and some were covered by vegetation.</li> </ul>	<p><b>Short-term</b></p> <ul style="list-style-type: none"> <li>Replace red/white median object markers with standard black/yellow markers.</li> <li>Evaluate retroreflectivity of all Stop signs and upgrade to high visibility retroreflective sheeting where needed.</li> <li>Trim vegetation to ensure sign visibility.</li> <li>Add retroreflective red post sleeves to all side street Stop sign posts.</li> </ul> <p><b>Long-term</b></p> <ul style="list-style-type: none"> <li>Evaluate the City’s sign inspection program and consider changes to practices and frequency. Review the appropriateness, placement, and retroreflectivity of all City-installed street signs.</li> </ul>
<p><b>Roadway Shoulder and Fixed Objects</b></p> <ul style="list-style-type: none"> <li>14% of all reported crashes along Island Crest Way involved a vehicle departing the roadway and hitting a fixed object.</li> <li>Lack of paved shoulder along Island Crest Way.</li> <li>There are several unprotected fixed objects near the road, including fire hydrants and trees. Median trees close to the traveled way could be hit by motorists who depart their lane.</li> </ul>	<p><b>Short-term</b></p> <ul style="list-style-type: none"> <li>Remove, relocate, or shield fixed objects near the roadway.</li> </ul> <p><b>Long-term</b></p> <ul style="list-style-type: none"> <li>Add 2-4 ft. paved shoulder to support motorists’ ability to return to the roadway if they run off the road.</li> <li>Conduct a tree condition assessment to determine long-term viability of existing trees along the shoulder and in the median.</li> <li>Consider removal or median trees or improve visibility of the median areas with improved delineation (curbs, raised median, etc.).</li> </ul>

<sup>2</sup> WSDOT Design Manual M 22-01, Chapter 1515, Shared Use Paths. <https://cdn2.assets-servd.host/material-civet/production/images/documents/shared-use-path-design-manual.pdf>

IDENTIFIED SAFETY NEED	CORRIDOR-WIDE SAFETY TREATMENTS
<p><b>Intersection Sight Distance</b></p> <ul style="list-style-type: none"> <li>● 21% of crashes involved a vehicle entering at an angle, and another 5% included a left-turning vehicle.</li> <li>● Limited sight distance for side street motorists due to excess vegetation, private buildings and fences, or geography.</li> </ul>	<p><b>Short-term</b></p> <ul style="list-style-type: none"> <li>● Trim vegetation within the sight distance triangles.</li> <li>● Remove objects in City right-of-way that cause visual limitations and communicate with property owners about potential removal or modification of objects and vegetation on private property for the sake of roadway safety.</li> </ul>
<p><b>Striping</b></p> <ul style="list-style-type: none"> <li>● 14% of crashes included a vehicle running off the road, and one additional collision was a head-on crash.</li> <li>● Edgeline and centerline striping is difficult to see at night.</li> <li>● Some raised pavement markers (RPMs) are missing.</li> <li>● Marked crossings at SE 68th Street intersection and SE 63rd Street crossing are faded.</li> </ul>	<p><b>Short-term</b></p> <ul style="list-style-type: none"> <li>● Restripe edge lines.</li> <li>● Add centerline pavement marking under the current raised pavement markers (RPMs).</li> <li>● Identify and replace missing RPMs.</li> <li>● Restripe the crosswalk markings at the SE 68th St intersection, and other marked crossings as needed.</li> </ul> <p><b>Long-term</b></p> <ul style="list-style-type: none"> <li>● Replace current striping and raised pavement markers with profiled thermoplastic marking on centerline and edge lines.</li> </ul>

## HOT SPOT LOCATION TREATMENTS

This section introduces recommended safety countermeasures for hot spot locations along Island Crest Way. These intersections or other high-profile areas were identified by reviewing collision history, traffic operations, field conditions, and community survey responses.

### SE 53rd Place

This residential intersection and school driveway serve school buses and staff. A horizontal curve to the north limits sight distance for side street drivers. Heavy north-south vehicle movements can make accessing Island Crest Way difficult for drivers and crossing problematic for pedestrians. There were three reported collisions at this intersection during the 6-year study period.

#### Short-term Treatments

- Install an advance intersection warning sign for southbound Island Crest Way drivers approaching SE 53rd Place.
- Add a marked crossing with advanced pedestrian warning signs (advance and at crosswalk) with Rectangular Rapid Flashing Beacons (RRFBs).
- Train additional school crossing guards to ensure availability each day at the school bus driveway for end-of-day departure.
- Trim vegetation to improve sight distance triangles.

#### Long-term Treatments

- Add a right turn lane for the westbound approach to allow vehicles to pass other cars waiting to turn left or travel through to the school (see figure to the right).

Before



After



Add Right Turn Lane at SE 53rd Place

# Island Park Elementary School

A high volume of pedestrians, bicyclists, personal vehicles, and school buses enter and exit campus before and after school, and Island Crest Way is also a heavily-used commuter route during the morning and evening peak periods.

### Short-term Treatments

- **School Speed Limit.** Reassess the time-of-day use of the School Zone Speed Limit of 20 mph to ensure it addresses student and family needs related to pedestrian and bicyclist activity.
- **Crossing Guard Availability.** Train additional crossing guards to ensure availability each day before and after school at the southside crossing. If a PHB is added (see below), the crossing guard can also help group students together to cross to minimize vehicle delay.

### Long-term Treatments

- **Pedestrian Hybrid Beacon.** At the south pedestrian crossing (currently a Rectangular Rapid Flashing Beacon (RRFB)), a Pedestrian Hybrid Beacon could increase pedestrian safety while also providing additional gaps in pedestrian traffic to reduce motor vehicle delay during heavy pedestrian times of day (e.g., before and after school)
- **Long-term Site Planning.** Monitor Island Park Elementary School’s future plans for expansion and coordinate student and family transportation safety during the planning stage.



*Pedestrian Hybrid Beacon*

## SE 62nd Street and SE 63rd Street Pedestrian Crossing Improvements

Enhanced pedestrian crossings at these two locations were identified as needs during the safety review based on pedestrian usage and access to nearby facilities.

### Short-term Treatments

- **Add SE 62nd Street Pedestrian Crossing.** Include pavement marking, warning signs, and a Rectangular Rapid Flashing Beacon (RRFB). Connect the eastside sidewalk to the Stevenson Property Trail to the west.
- **Add Rectangular Rapid Flashing Beacon (RRFB) to SE 63rd Street Pedestrian Crossing.** This provides additional warning to motorists of pedestrians on or near the roadway. It supports the transit stop on both sides of Island Crest Way at this location.



*Rectangular Rapid Flashing Beacon (RRFB)*

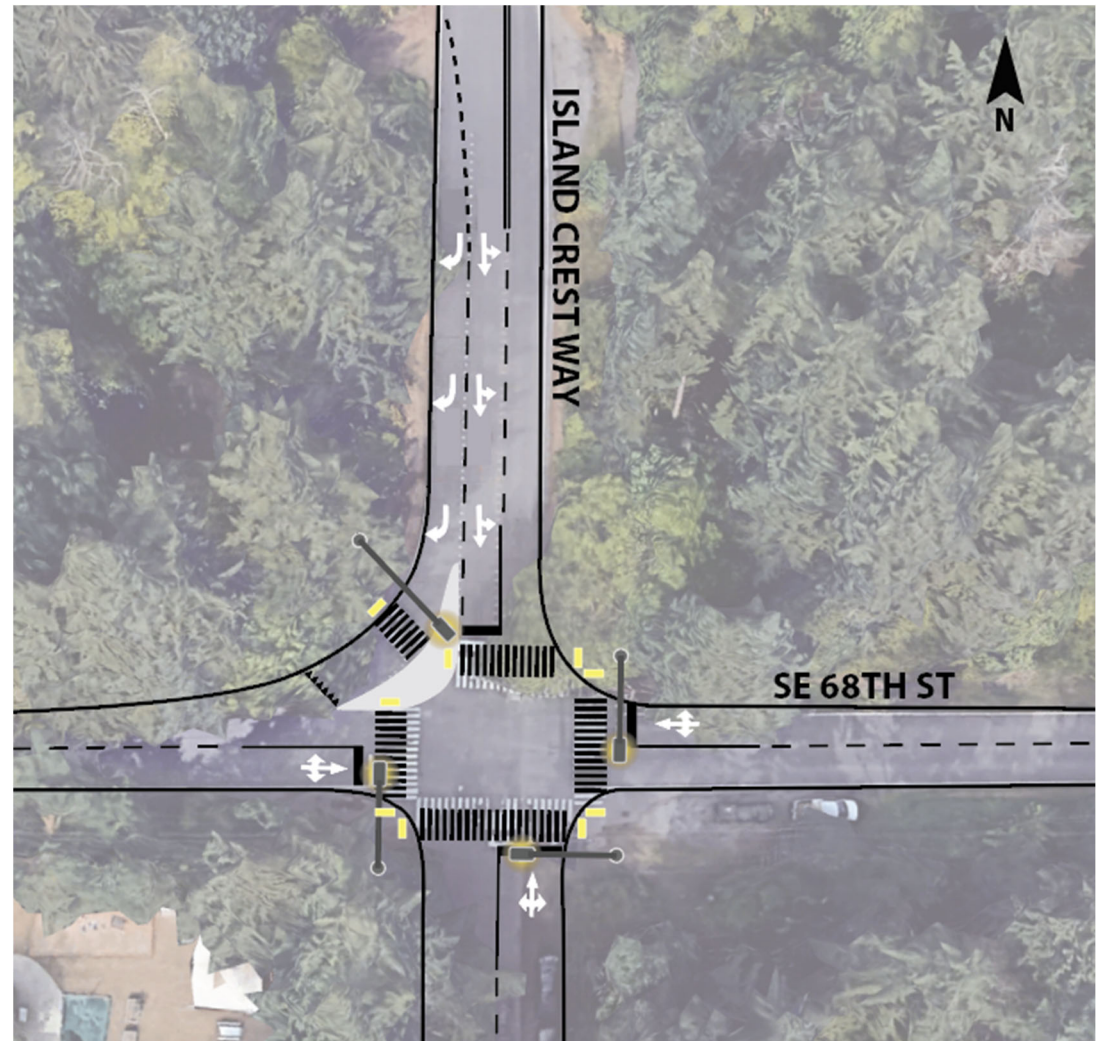


## SE 68th Street Intersection

This location experiences a higher-than-expected frequency of collisions for a 4-way Stop-controlled intersection, including angle, pedestrian-involved, and bicyclist-involved collisions. Ten crashes occurred at the intersection during the 6-year study period.

### Short-term Treatments

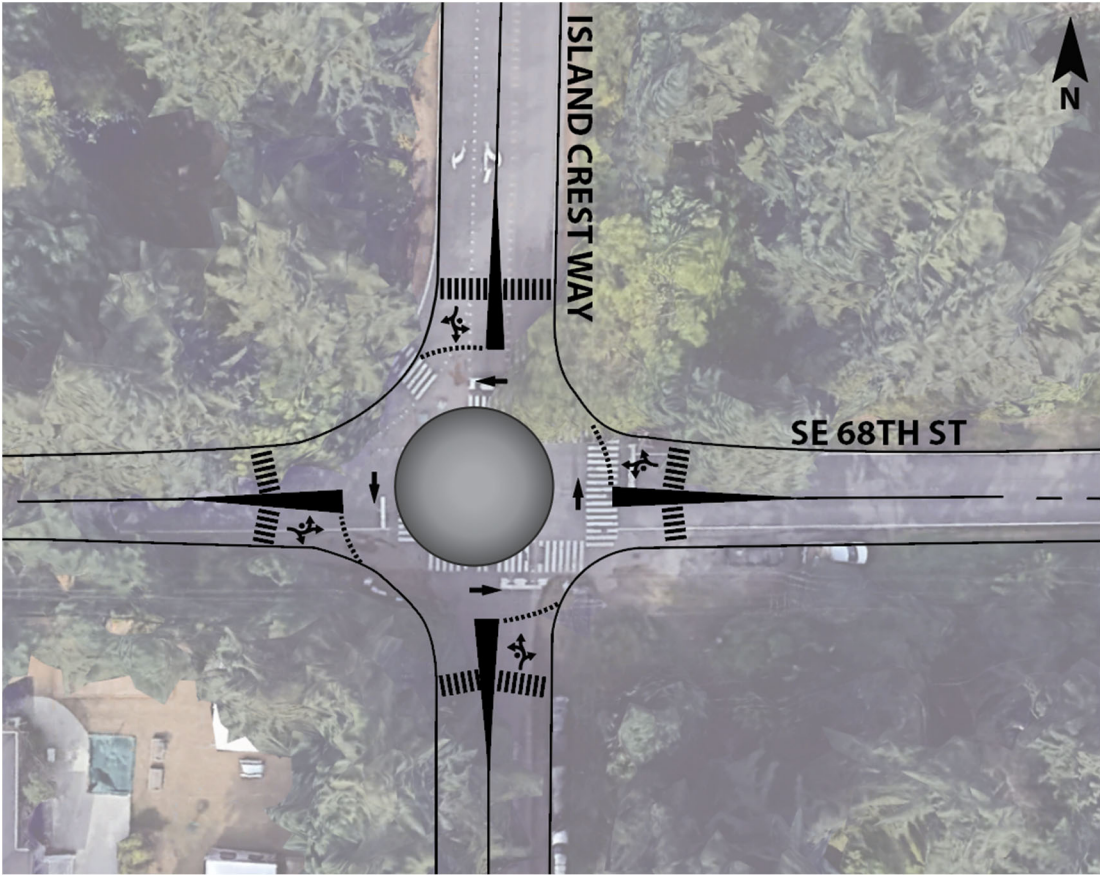
- **Signing**
  - For southbound Island Crest Way road users, repeat the Lane Use Control sign and move the Right Lane Must Turn Right sign further from the intersection to provide additional information.
  - Add red retroreflective post sleeves to all Stop sign posts.
  - Add ALL WAY plaque under each Stop sign.
  - Remove advertisements from the right-of-way (at least at the Stop sign islands).
- **Pavement Marking**
  - Southbound Island Crest Way: Restripe lane use control pavement marking.
  - Southbound Island Crest Way: Add dotted marking to clarify the right-turn lane drop.
- **Pedestrian Crossings**
  - Trim vegetation to provide a clearer view of pedestrians entering the intersection from the park.
  - Separate southbound Island Crest Way vehicle yield movements (yield to pedestrians first, then other vehicles) by adding space between the marked crosswalk and the Yield sign.
- **Lighting**
  - Upgrade lighting and trim vegetation that blocks lighting from reaching the road surface.



*SE 68th Street: Potential Pavement Marking and Lighting Treatments*

Long-term Treatments

- **Roundabout.** Consider a single-lane roundabout at the intersection to reduce collision frequency, improve traffic operations, and enhance aesthetics.



SE 68th Street: Potential Single-lane Roundabout

## APPLICATION, ANALYSIS, AND RECOMMENDED PROJECTS

After identifying a list of treatments by location based on the process described above, the study team compared each treatment to the others to determine its impact to reduce crashes and its relative cost-effectiveness.

- **Countermeasures and Crash Reduction Factors:** The study team selected a representative Crash Reduction Factor (CRF) from the Highway Safety Manual, FHWA Crash Modification Factor Clearinghouse website, or other established peer-reviewed research. Each CRF is described further related to the severity of crash and/or type of crash it affects.
- **Treatment Type:** The team identified each treatment as Corridor-Wide or Hot Spot. Some countermeasures were other types (e.g., program, training).
- **Relative Project Cost:** The team provided a planning-level cost estimate for each countermeasure based on previous experience with safety treatment implementation at similar locations in the region. Actual costs may vary widely depending on detailed existing conditions and other related impacts.
- **Term:** The study team identified each as a short-term or long-term improvement based on resources required, potential right-of-way acquisition, and other feasibility criteria.
- **Next Step(s):** The team identified one or more next steps for the City to pursue each potential treatment.

Table 2 summarizes the potential safety projects identified along the study corridor related to these criteria. Projects are organized by Type, Cost, and Term.

**TABLE 2. POTENTIAL SAFETY COUNTERMEASURES**

COUNTERMEASURE	CRASH REDUCTION (Severity or Type)	HOT SPOT/ CORRIDOR-WIDE	COST	TERM	NEXT STEP(S)
Upgrade or Replace Existing Luminaires to Current Standard	N/A	Corridor-wide	\$10k/luminaire	Short Term	Continue current Public Works effort
Pedestrian Crossings: Reflective Post Sleeves, Left-mounted Warning Sign, Trim Vegetation	N/A	Corridor-wide	\$200/sign \$60/sleeve	Short Term	Secure signs and install with maintenance forces
Stop Sign Reflective Post Sleeves at Every Intersection	N/A	Corridor-wide	\$60/ sleeve	Short Term	Secure signs and install with maintenance forces
Replace Red/White Median Object Markers with Standard Black/Yellow	N/A	Corridor-wide	\$200/sign	Short Term	Secure signs and install with maintenance forces
Trim Vegetation to Improve Sight Distance at Intersections	48% reduced injury crashes	Corridor-wide	Staff time	Short Term	Assess each situation and, where appropriate, trim with maintenance forces
Refresh All Existing Pavement Marking	N/A	Corridor-wide	\$10k	Short Term	Complete per regular City schedule

COUNTERMEASURE	CRASH REDUCTION (Severity or Type)	HOT SPOT/ CORRIDOR-WIDE	COST	TERM	NEXT STEP(S)
Conduct a Corridor-wide Lighting Assessment and Implement Relevant Upgrades	38% reduced injury crashes at intersections. 52% dark crashes	Corridor-wide	\$50-100k assessment	Long Term	Seek grant funding
Add Centerline Pavement Marking Under RPMs	N/A	Corridor-wide	Standard contract	Long Term	Consider at next convenient time (e.g., RPM replacement)
Upgrade Pavement Markings (Profiled Thermoplastic)	21%reduced run-off-road and head-on crashes	Corridor-wide	\$30-40k (4 lines) installed	Long Term	Seek grant funding or budget as part of a capital project.
Remove, Relocate, or Shield Fixed Objects (Including Median Trees)	38% reduced crashes)	Corridor-wide	\$50-100k	Short Term Long Term	Conduct a tree condition assessment
Add 2 ft Paved Shoulder	5-13% reduced crashes)	Corridor-wide	\$\$1M	Long Term	Seek grant funding
SE 62nd Street: Install pedestrian crossing (signs, striping, RRFB)	40% reduced pedestrian-involved crashes	Hot Spot	\$200/sign \$25k/RRFB \$10k/ADA ramp	Short Term	Secure signs and equipment. Install per standard procedures.
SE 53rd Place: Advance Intersection Warning Signs (2 signs)	20-40% reduced crashes	Hot Spot	\$400	Short Term	Secure signs and install with maintenance forces.

COUNTERMEASURE	CRASH REDUCTION (Severity or Type)	HOT SPOT/ CORRIDOR-WIDE	COST	TERM	NEXT STEP(S)
SE 68th Street: Signing, Pavement Marking, Vegetation Clearing, Lighting Improvements	20-40% reduced crashes	Hot Spot	\$200/sign \$20k lighting \$10k vegetation clearing	Short Term	Conduct additional short-term and long-term analysis of solutions
Install Rectangular Rapid Flashing Beacon <ul style="list-style-type: none"> <li>SE 63rd Street</li> <li>SE 53rd Place (with new crossing)</li> </ul>	47% reduced pedestrian-involved crashes	Hot Spot	\$25k/RRFB \$10k/ADA ramp	Short Term	Design improvements and solicit bids for construction.
West Side Shared Use Path Improvements	25% reduced bicyclist-involved crashes	Corridor-wide	\$250/linear ft	Long Term	Seek grant funding. Further study.
East Side Shared Use Path Improvements	25% reduced bicyclist-involved crashes	Corridor-wide	\$150/linear ft	Long Term	Seek grant funding. Further study.
SE 53rd Place: Add Right Turn Lane for Westbound Traffic (East Leg)	14-26% reduced crashes	Hot Spot	\$100-200k	Long Term	Seek grant funding
SE 68th Street: Install Roundabout	36% reduced crashes	Hot Spot	\$500k-2M	Long Term	Implement short-term treatments. Analyze roundabout feasibility

COUNTERMEASURE	CRASH REDUCTION (Severity or Type)	HOT SPOT/ CORRIDOR-WIDE	COST	TERM	NEXT STEP(S)
Island Park Elementary School: Pedestrian Hybrid Beacon (PHB) Crossing at South Driveway	69% reduced pedestrian-involved crashes	Hot Spot	\$50-100k	Long Term	Seek grant funding
Island Park Elementary School: School Zone Speed Limit Operational Time Frame Reassessment	N/A	Study	Staff time	Short Term	Meeting with School District to discuss operational time frame of the 20 mph School Zone Speed Limit.
Island Park Elementary School: Crossing Guard Training	N/A	Training	Staff time	Short Term	Recommend actions to the school
Island Park Elementary School: Future Site Planning	N/A	Study	TBD	Long Term	Participate in future school planning meetings if/when MI School District considers renovation/replacement
Evaluate Citywide Sign Inspection Program, Make Improvements, and Implement	N/A	Citywide Program	\$30-50k evaluation	Short Term	Assess operating procedures and current sign quality

Figure 3 displays the location of a subset of the potential safety projects in Table 2 along Island Crest Way.

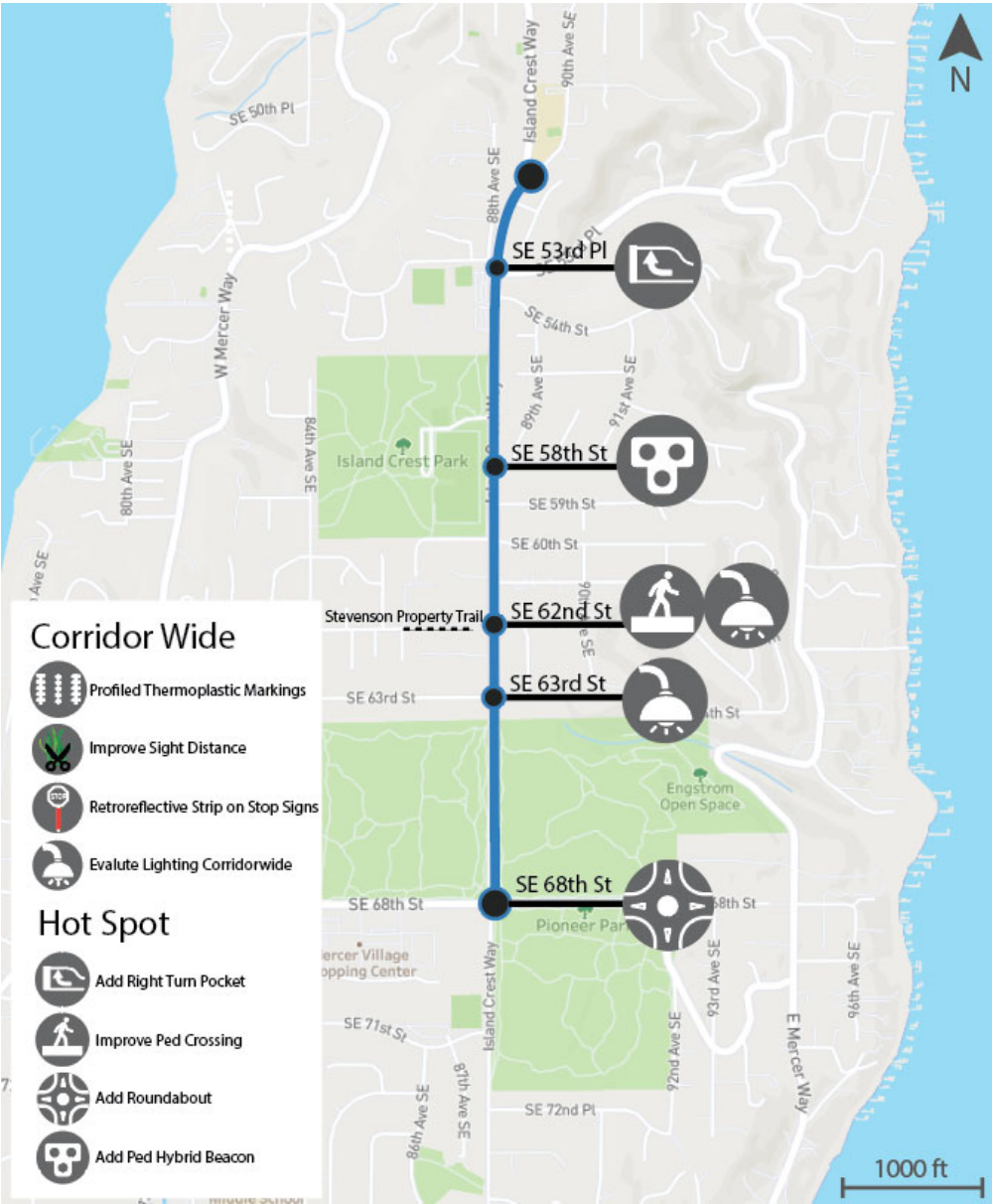


FIGURE 3. SUMMARY MAP OF POTENTIAL SAFETY PROJECTS



# APPENDICES

**APPENDIX A: SAFETY COUNTERMEASURE DESCRIPTIONS**

**APPENDIX B: SAFETY ANALYSIS REPORT**

**APPENDIX C: EXISTING TRAFFIC OPERATIONS ASSESSMENT**

## DESCRIPTION OF SAFETY COUNTERMEASURES

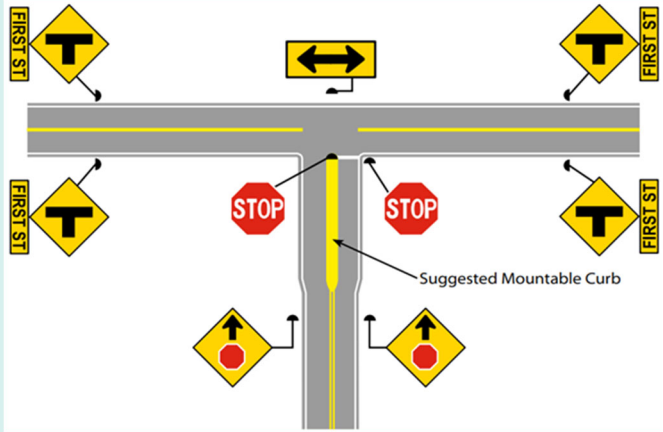
This section introduces recommended safety countermeasures, describes each treatment, and identifies potential location(s) for implementation.

### Low-cost Intersection Safety Enhancements

**Locations:** Several unsignalized intersections.

**Description:** The set of low-cost countermeasures is designed to increase drivers' alertness to the presence of the intersection and reduce potential conflicts with other entering vehicles.

- Advanced Intersection Warning Signs, including oversized or doubled-up signs, and/or street name plaques.
- Stop Ahead Sign, including oversized or doubled-up signs.
- Oversized or doubled-up STOP signs.
- Painted or mountable curb on side street for supplemental STOP sign.



### Retroreflective Post Sleeves

**Locations:** All unsignalized intersections.

**Description:** Retroreflective strips or sleeves can be added to stop sign posts to draw additional attention to drivers, particularly at night. In addition to providing a warning for approaching motorists on the side street, a wrapped post also indicates an upcoming intersection to mainline drivers.



Retroreflective Strips on Signposts<sup>3,4</sup>

3 [https://www.clrp.cornell.edu/q-a/030-retro\\_strips.html](https://www.clrp.cornell.edu/q-a/030-retro_strips.html)

4 <https://safety.fhwa.dot.gov/hsip/hrrr/manual/sec48.cfm#s48c>

### Pedestrian Crossing and School Crossing Improvements

**Locations:** All current and proposed marked crosswalks.

**Description:** Add the following to standardize all pedestrian crossings.

- Post sleeves on each warning sign (advance warning and at the crosswalk)
- Add left-mounted Pedestrian Crossing or School Crossing signs and diagonal down arrow plaques
- Reapply any worn crosswalk pavement marking
- Trim vegetation for improved visibility
- Assess and improve lighting

BEFORE:



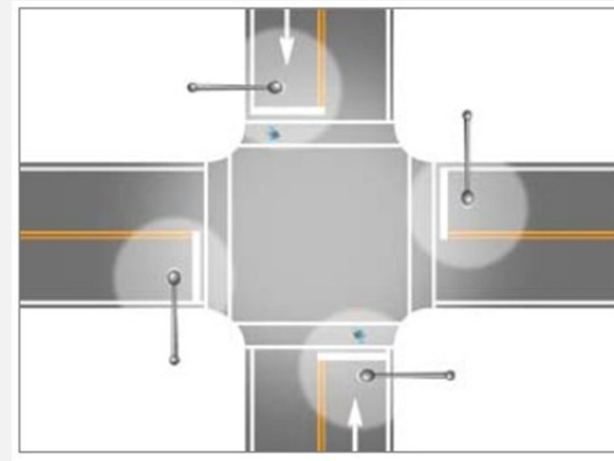
AFTER:



### Intersection Lighting

**Locations:** Locations assessed to have lighting deficiencies.

**Description:** Installing sufficient intersection lighting can improve the ability for drivers to recognize that an intersection is being approached, navigate turning movements properly and recognize other vehicles and pedestrians in or entering the intersection.



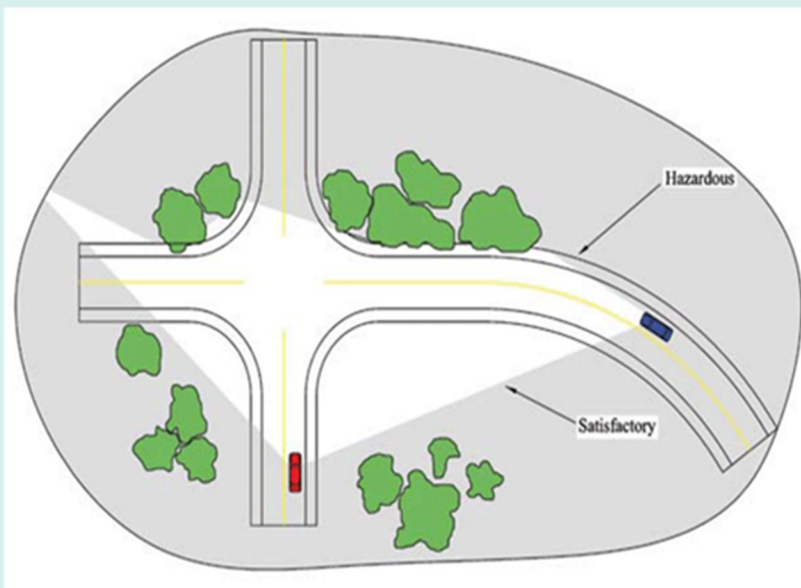
Typical intersection lighting design<sup>5</sup>

<sup>5</sup> [https://safety.fhwa.dot.gov/intersection/other\\_topics/fhwas09020/chap\\_4.cfm#s42](https://safety.fhwa.dot.gov/intersection/other_topics/fhwas09020/chap_4.cfm#s42)

### Clear sight distance triangle of vegetation and objects

**Locations:** All intersections and major driveways.

**Description:** Provide appropriate sight distance triangles for the minor approaches by clearing obstructions that might block an approaching driver's view of potentially conflicting vehicles. The sight distance for a stopped vehicle at an intersection should be enough for the vehicle to clearly see any conflicting vehicles approaching along the adjacent roadway and allow them to proceed through the intersection without conflict.



### Pedestrian/Bicyclist Shared Use Path

**Locations:** Entire Island Crest Way Corridor.

**Description:** A shared use path provides a travel area separate from motorized traffic for bicyclists, pedestrians, skaters, wheelchair users, joggers, and other users. Shared use paths can provide a low-stress experience for a variety of users using the network for transportation or recreation.

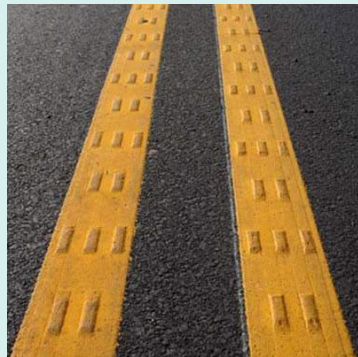


### Profiled Thermoplastic Markings

**Locations:** Entire study corridor where feasible.

**Description:** Profiled thermoplastic markings provide enhanced retroreflectivity compared to normal paint strips along with better durability and less maintenance than raised pavement markers.

In addition, the noise and vibration produced by profiled (raised) thermoplastic markings alert drivers when they leave the traveled way.



### Paved Shoulder

**Locations:** Recommend installing a paved shoulder throughout the entire study corridor on both sides.

**Description:** Paved shoulders can provide a clear recovery area for drivers who may leave their travel lane.<sup>6</sup> Uniform shoulder width is not required for retrofit installation to provide a safety benefit.



<sup>6</sup> [https://safety.fhwa.dot.gov/geometric/pubs/mitigationstrategies/chapter4/4\\_lane3showidth.cfm](https://safety.fhwa.dot.gov/geometric/pubs/mitigationstrategies/chapter4/4_lane3showidth.cfm)

### Fixed Object Removal, Relocation, or Shielding

**Locations:** Entire study corridor where feasible.

**Description:** The AASHTO Roadside Design Guide provides a hierarchy of countermeasures to deal with roadside fixed objects.

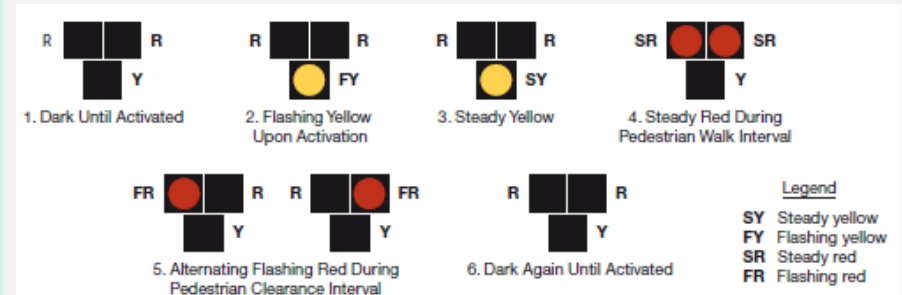
1. Remove the obstacle.
2. Redesign the obstacle so it can be safely traversed.
3. Relocate the obstacle to a point where it is less likely to be struck.
4. Reduce impact severity by using an appropriate breakaway device.
5. Shield the obstacle with a longitudinal traffic barrier designed for redirection or use a crash cushion.
6. Delineate the obstacle if the previous alternatives are not appropriate.



### Pedestrian Hybrid Beacon (PHB)

**Location:** School pedestrian crossing at the south side of Island Park Elementary School.

**Description:** A pedestrian hybrid beacon (PHB) is a traffic control device designed to increase motorists' awareness of pedestrian crossings at uncontrolled marked crosswalk locations. A PHB is distinct from pre-timed traffic signals and constant flash warning beacons because it is only activated by pedestrians when needed. Because it is a traffic signal, it can be timed to support traffic flow and pedestrian safety.



### Install Roundabout

**Location:** Island Crest Way and SE 68th Street

**Description:** Effective at intersections that have a high frequency of right-angle and left-turn type crashes, primarily at unsignalized intersections with moderate volumes.



Single-lane roundabout<sup>7</sup>

### Rectangular Rapid Flashing Beacon (RRFB)

**Locations:** SE 53rd Place, SE 62nd Street, SE 63rd Street

**Description:** RRFBs enhance pedestrian conspicuity and increase driver awareness at uncontrolled, marked crosswalks. It is used to accompany a pedestrian warning sign.



<sup>7</sup> <https://safety.fhwa.dot.gov/provencountermeasures/roundabouts.cfm>

**Install Right Turn Lane**

**Location:** Island Crest Way and SE 53rd Place

**Description:** While turn lanes provide measurable safety and operational benefits at many types of intersections, they are particularly helpful at two-way stop-controlled intersections. This eliminates delays for right turning vehicles waiting behind vehicles traveling in other directions. Depending on available pavement width, a right turn lane may be striped on the existing roadway, or additional pavement may be needed to accommodate the lane.





# APPENDIX B: SAFETY ANALYSIS REPORT



# ISLAND CREST WAY SAFETY ANALYSIS REPORT

CITY OF MERCER ISLAND

JANUARY 2022



## SAFETY NEEDS ANALYSIS

DATE: January 20, 2022

TO: Lia Klein, PE | City of Mercer Island

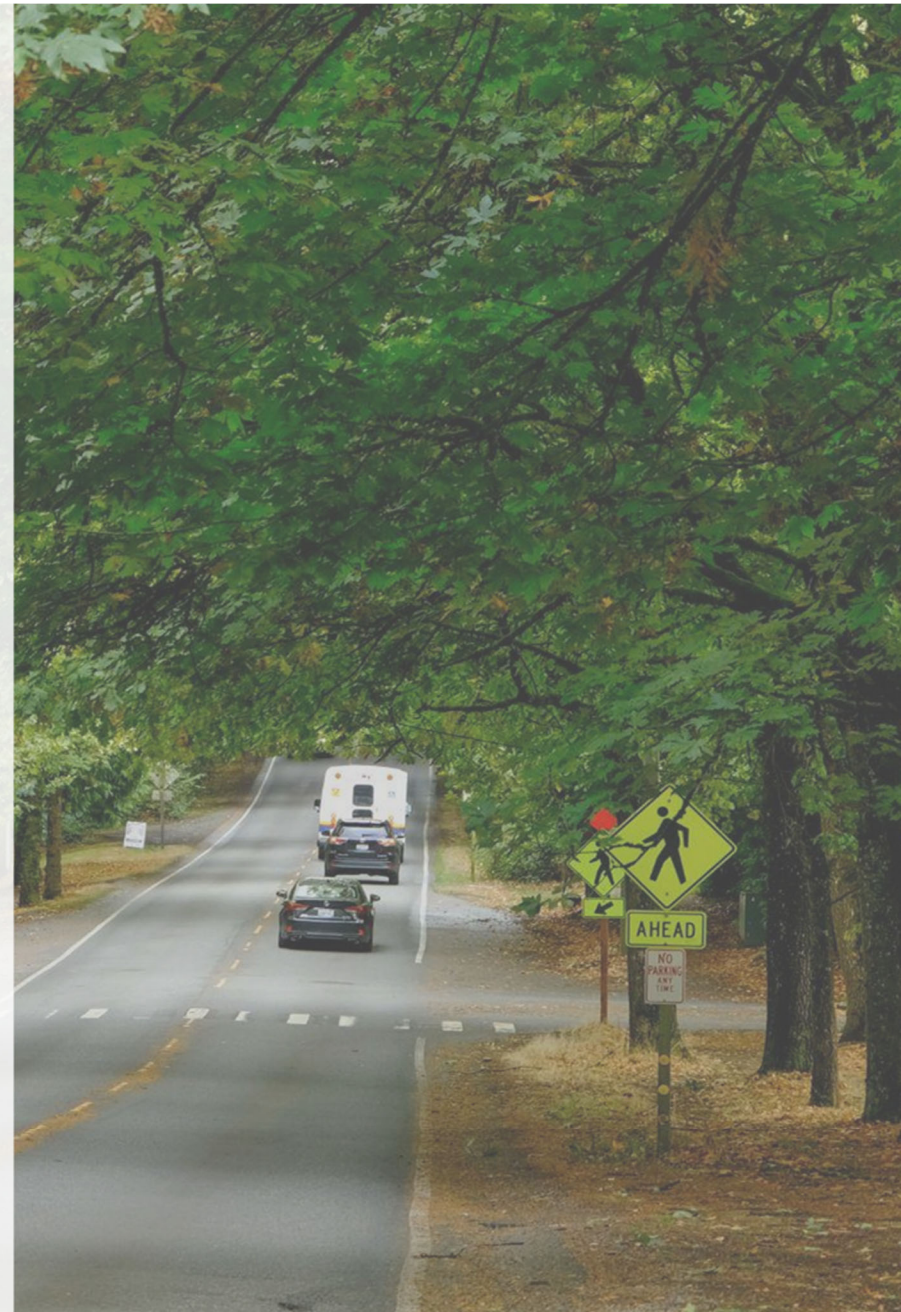
FROM: Brian Chandler, PE, PTOE, RSP<sub>2IB</sub>, PMP | DKS  
Veronica Sullivan, RSP<sub>1</sub> | DKS

SUBJECT: Mercer Island Crest Way Corridor Safety Analysis

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### INTRODUCTION

The City of Mercer Island is interested in improving the operations and safety along the corridor of Island Crest Way between 90th Ave SE and SE 68th St. To achieve this goal, the City initiated a corridor safety study along this corridor. The purpose of this memorandum is to evaluate the existing safety conditions along Island Crest Way and its intersections and identify potential safety issues. The following sections present findings of the team’s comprehensive safety analysis, including an investigation of historical crash data, discussions with relevant stakeholders (e.g., school officials), and field observations.



### STUDY AREA

The study corridor is a two-way undivided road that spans approximately 1 mile from 90th Avenue SE to SE 68th Street, as shown in Figure 1. There are no bicycle lanes on the roadway, however there is a paved shared use path on the east side of the road and a combination of paved and unpaved pathway on the west side of the road.

Based on the Mercer Island Comprehensive Plan,<sup>1</sup> the study corridor is designated as a secondary arterial. Secondary arterials connect with and augment principal arterials and generally have a higher degree of access to adjacent land, lower traffic volumes and lower travel speeds. Based on the narrow landscape configuration of Mercer Island, the roadway of Island Crest Way functions as one of the main north-south routes in the City while also providing direct access to several schools and other destinations (e.g., Island Crest Park, Pioneer Park, Islander Middle School, and the Mercer Village Shopping Center).

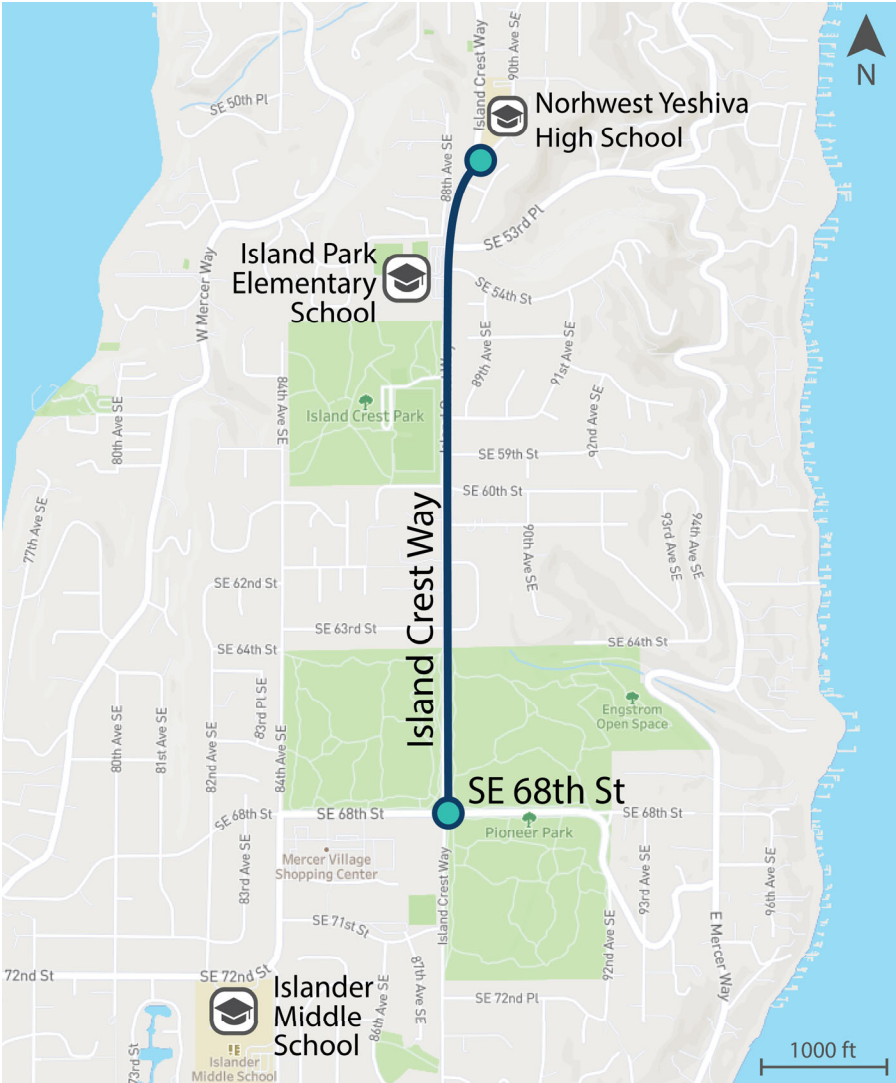


FIGURE 1. STUDY CORRIDOR MAP

<sup>1</sup> Mercer Island Comprehensive Plan. <https://www.mercerisland.gov/cpd/page/comprehensive-plan>

**SITE CHARACTERISTICS**

Table 1 below summarizes the roadway characteristics along Island Crest Way between 90th Ave SE and SE 68th St.

**TABLE 1. ROADWAY CHARACTERISTICS SUMMARY**

Attribute	
POSTED SPEED LIMIT	35mph 20mph School Zone
50TH PERCENTILE SPEED <sup>2</sup>	37 mph
85TH PERCENTILE SPEED	40 mph
95TH PERCENTILE SPEED	43-44 mph
SEGMENT LENGTH	1 mile
AVERAGE LANE WIDTH	10-11 ft
AVERAGE SHOULDER WIDTH	Average 1 ft. paved shoulder
ROAD BUFFER	Grass buffer with no curbs
NUMBER OF ACCESS POINTS	20
Weekday AADT	15,000-16,000 vehicles per day
MEDIAN	Typically, none. Some small separation at locations with median trees
LIGHTING	Inconsistent street lighting
NUMBER OF CRASHES (2015-2020)	43
AVERAGE NUMBER OF CRASHES PER YEAR	7



<sup>2</sup> Speed at which 50% of surveyed vehicles traveled at or below. 85th and 95th percentile speeds are those speeds at which 85% and 95% of vehicles traveled at or below, respectively.

CRASH DATA

The study team retrieved collision data from the Washington State Department of Transportation (WSDOT) collision database from the past six years (2015-2020) along the study corridor (including intersection and non-intersection crashes). The team identified 43 crashes that occurred along the study corridor between 90th Avenue SE and SE 68th Street. Figure 2 presents collision frequency by severity. Overall, the total number of crashes along the study corridor fluctuated over the study period. The first three years averaged five crashes annually, while the final three years of the study averaged nine crashes per year. Regarding severity, two serious injury collisions occurred in 2018 and one serious injury collision occurred in 2020.

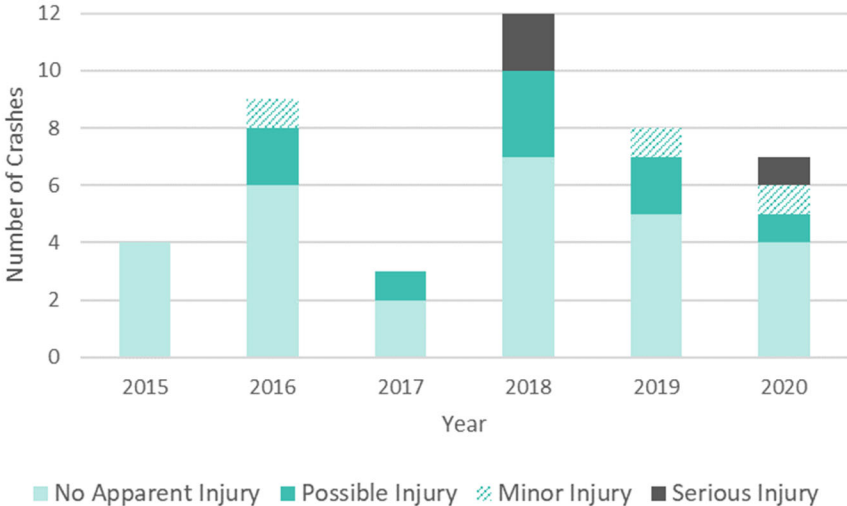


FIGURE 2. COLLISION FREQUENCY BY SEVERITY AND YEAR, 2015-2020

Figure 3 presents a heat map of the 43 recorded collisions, showing that corridor crashes tend to cluster around access points. In particular, the access points of SE 62nd Street, SE 63rd Street, and SE 68th Street intersection have experienced a higher frequency of crashes compared to other locations along the corridor. Figure 4 maps all the crashes along the corridor based on crash severity.

Serious Injury Crashes

- On February 17, 2018, at 5:30AM, a serious injury collision occurred just north of SE 53rd Place. The driver was traveling northbound while navigating the curve and ran off the road in wet road conditions, then hit a tree.
- A serious injury crash occurred at SE 63rd Street when a vehicle traveling southbound hit a pedestrian crossing the marked crosswalk at 6:40 PM on February 19, 2018. It was reported that this collision occurred in dark conditions with street lights on.
- Approximately 700 feet north of the SE 68th Street intersection, there was a serious injury crash involving a head-on collision that occurred at 8:24 PM on April 13, 2020.

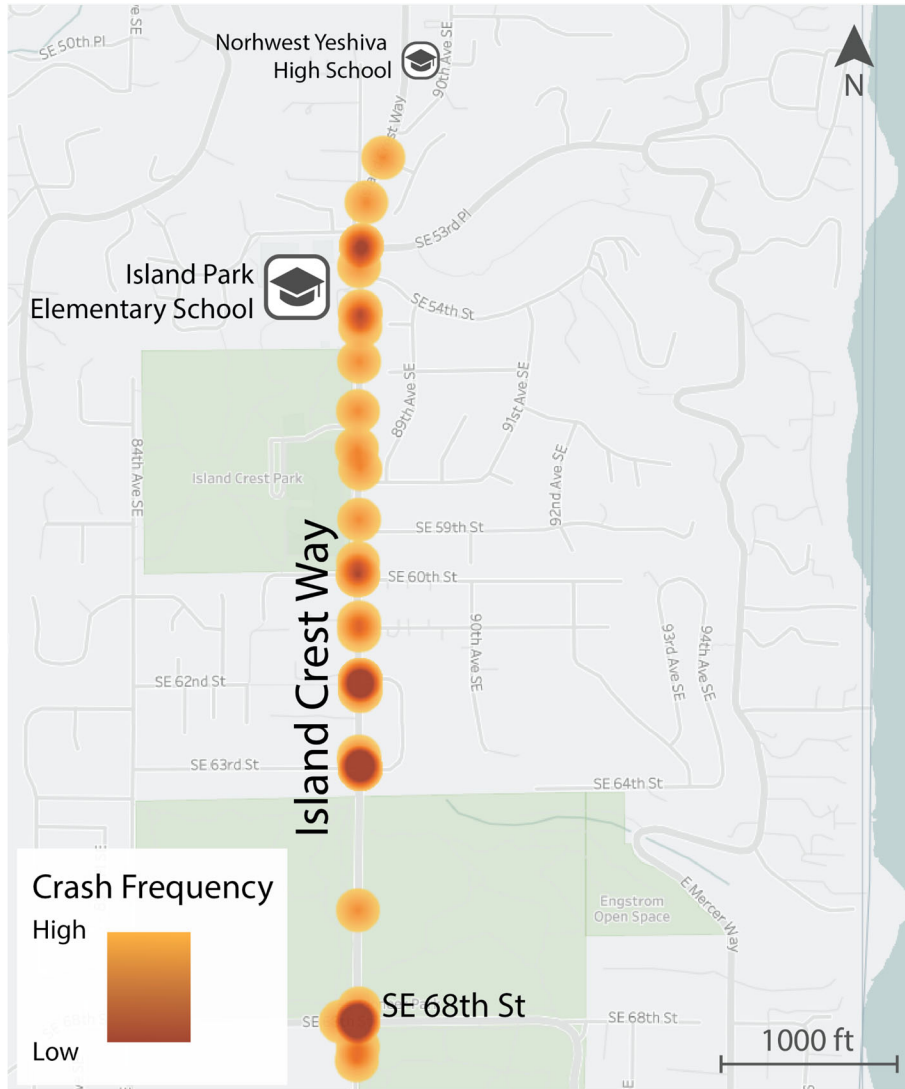


FIGURE 3. HEAT MAP OF CRASHES ALONG STUDY CORRIDOR, 2015-2020

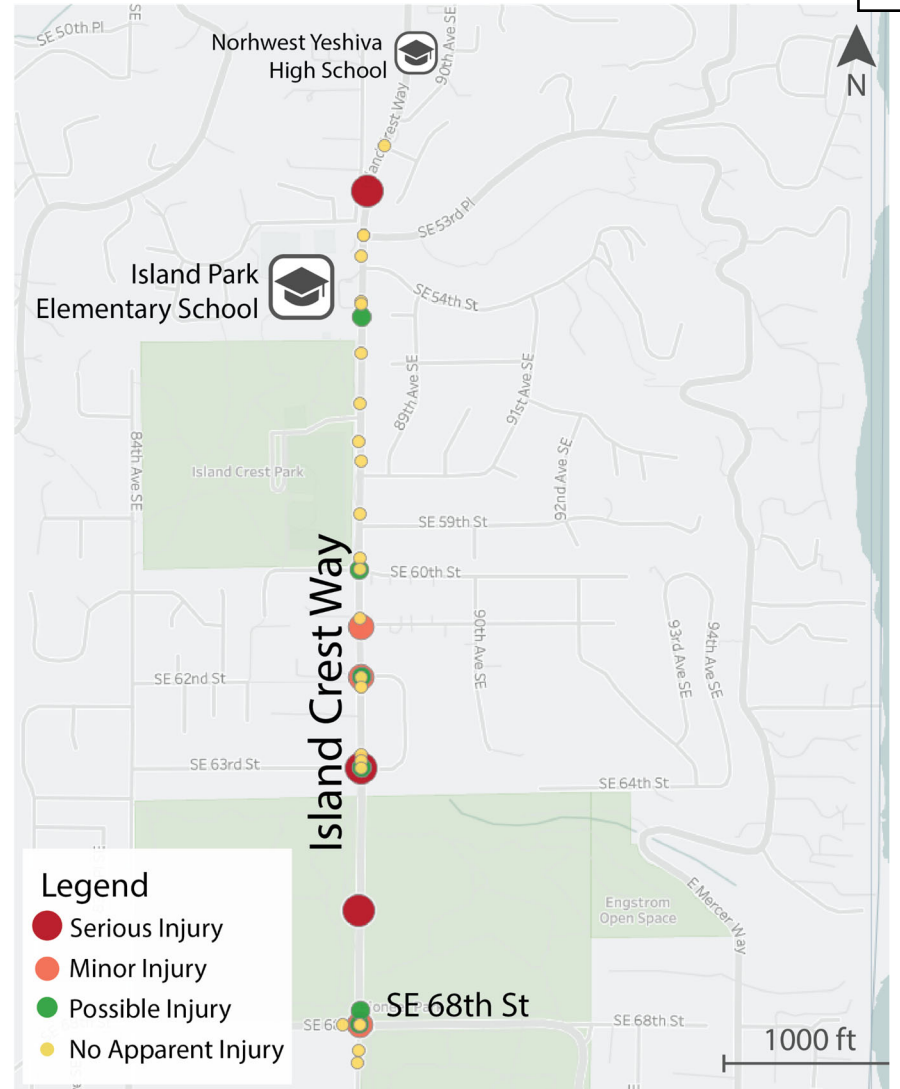
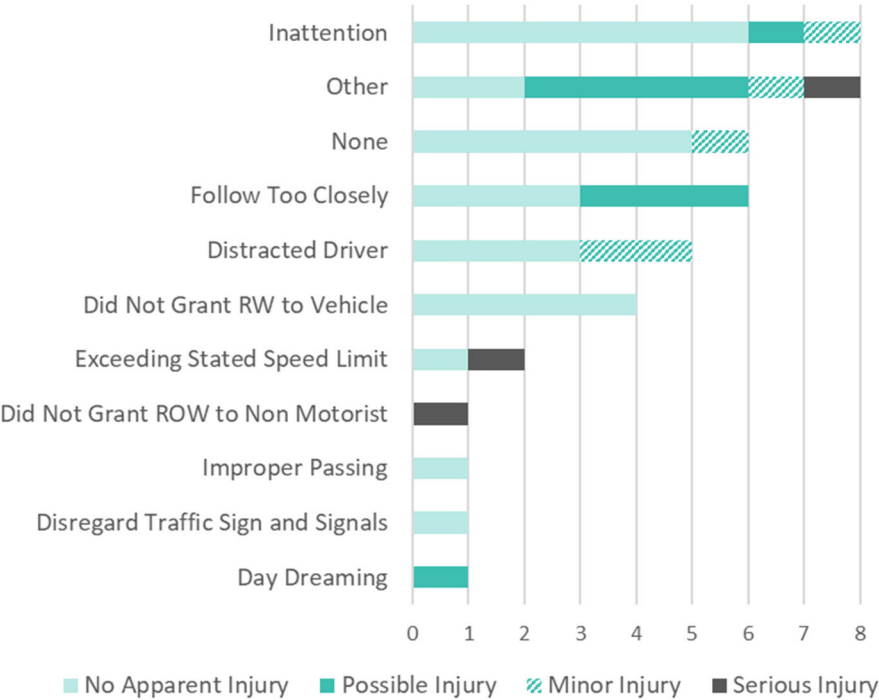


FIGURE 4. CRASH SEVERITY ALONG STUDY CORRIDOR, 2015-2020

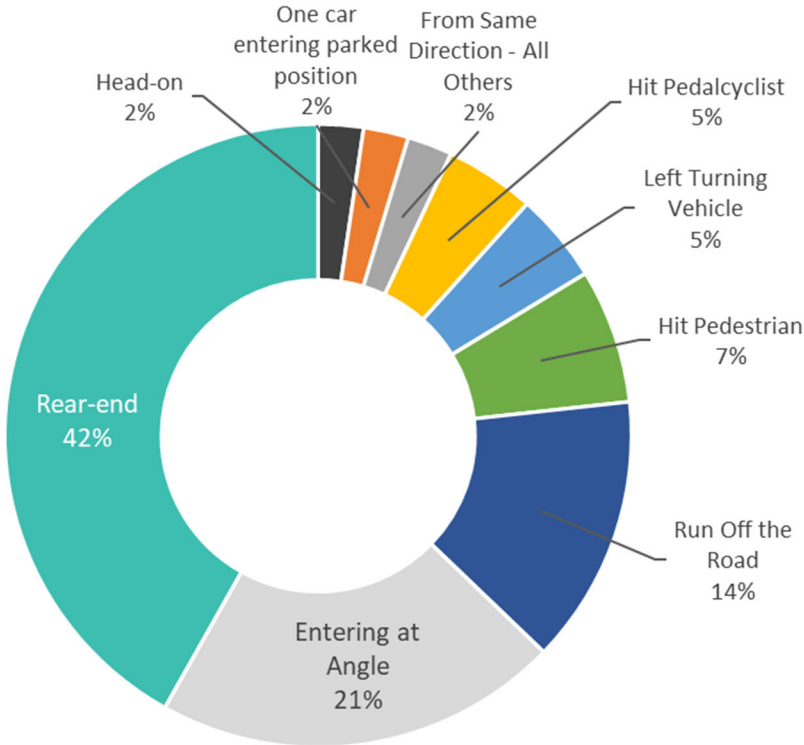
**CORRIDOR CRASH TYPES**

As illustrated in Figure 5, the most common contributing circumstance was inattention (18%). As shown in Figure 6, the most common crash types along the study corridor are rear-end crashes (42%), followed by entering at angle<sup>3</sup> (21%) and run off the road crashes (14%).<sup>4</sup>

Of the 74 motor vehicle drivers identified in crashes during the study period, 28 (38%) were 15-25 years-old and seven (9%) were 65 year-old or older.



**FIGURE 5. CONTRIBUTING CIRCUMSTANCES ALONG THE STUDY CORRIDOR, 2015-2020**



**FIGURE 6. PROPORTION OF CRASH TYPES ALONG THE STUDY CORRIDOR, 2015-2020**

<sup>3</sup> Crashes where one vehicle struck another from an angle (often near-90-degrees).  
<sup>4</sup> "Other" in Figure 5 was marked by the reporting officer. Additional details are unavailable.



### CRASH REPORT NARRATIVE AND DIAGRAM REVIEW

To understand some of the stories about the collisions on Island Crest Way, the study team reviewed law enforcement reports that included individual collision diagrams and narratives. This review resulted in the following findings:

- In many cases a non-traffic situation (a child left their jacket in the vehicle; a driver had recently had an argument with a family member) are recorded in the narrative and are directly related to the collision.
- Distraction is a common element in the collision narratives: adjusting vents, sunroof, etc.
- Tree hits were relatively common, and in each case the tree was very close to the roadway. There may be an opportunity to consider strategic tree removal or other mitigations.
- Drivers are not used to needing to stop along Island Crest Way, and as activity has increased, the need for drivers to stop for other road users (vehicles, bicyclists, pedestrians, etc.) has also increased. In particular, two actions are involved in the vast majority of rear-end collisions on the corridor: vehicles stopped to turn left onto a side street and vehicles stopped for crossing pedestrians.
  - Vehicle stopped to turn left onto a side street, most common at:
    - SE 53rd Place during school bus departure
    - Park entrance
    - SE 59th Street (Southbound Left Turn)
  - Vehicle stopped for crossing pedestrians
    - SE 63rd Street (Southbound vehicle)
    - Elementary School Pedestrian Crossing
- SE 68th Street: Two primary collision types.
  - Most vehicle-vehicle collisions involved a southbound vehicle that did not stop at the Stop sign.
  - Pedestrian-related collisions involved an eastbound left turning vehicle.

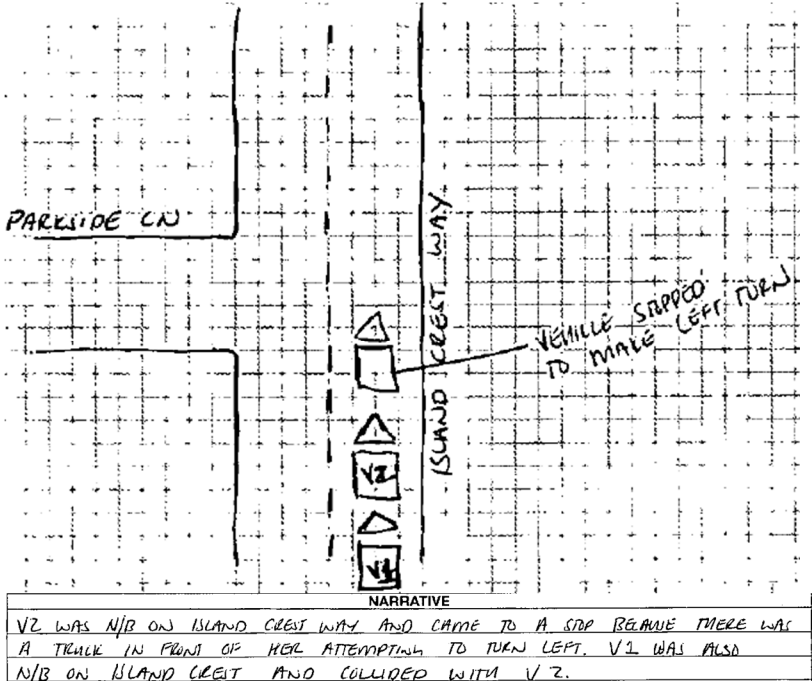


FIGURE 7. EXAMPLE DIAGRAM AND NARRATIVE FROM COLLISION REPORT

*"I turn north onto ICW from SE 63rd and cars often are traveling above the speed limit, bikes are hidden and then cross the intersection at 63rd on the west side going north and south, and buses and trucks sometimes block the view making it impossible to see in order to turn north from SE 63rd."*

- Survey Respondent, December 2021

# LIGHTING CONDITIONS

During the study period, there were 15 crashes that occurred during non-daylight conditions. In particular, 21% of crashes reported dark conditions with street lights on, as shown in Figure 8. During the PM peak field visit, the study team observed the street lighting and noticed that two street lights were not functioning on both sides of SE 58th Street entrance on the east side of Island Crest Way, as shown in Figure 9.

Once the area gets dark, which is around 5 PM during the winter time, the areas without street lights have limited visibility, as shown in Figure 10. Without daylight, it can be difficult to see the edge line striping (which was not exhibiting retroreflectivity during the field review), centerline reflectors, and trees that border the roadway. As a pedestrian on the sidewalk or a cyclist sharing the road, it can be difficult for drivers to see them in the dark along this corridor.

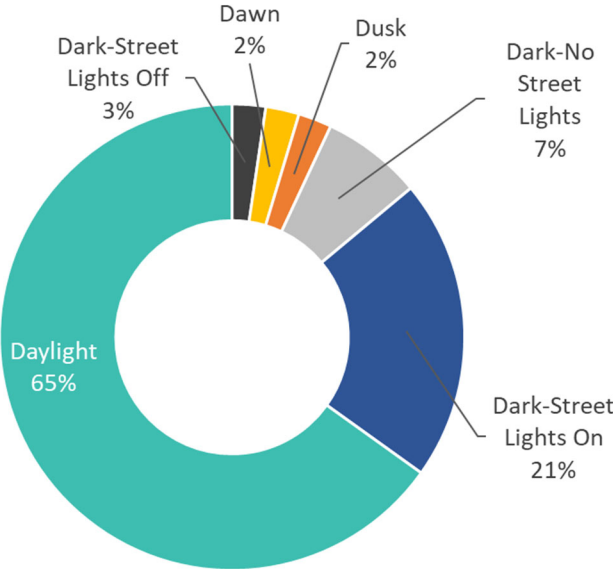


FIGURE 8. CRASH EVENT LIGHTING CONDITIONS, STUDY CORRIDOR, 2015-2020



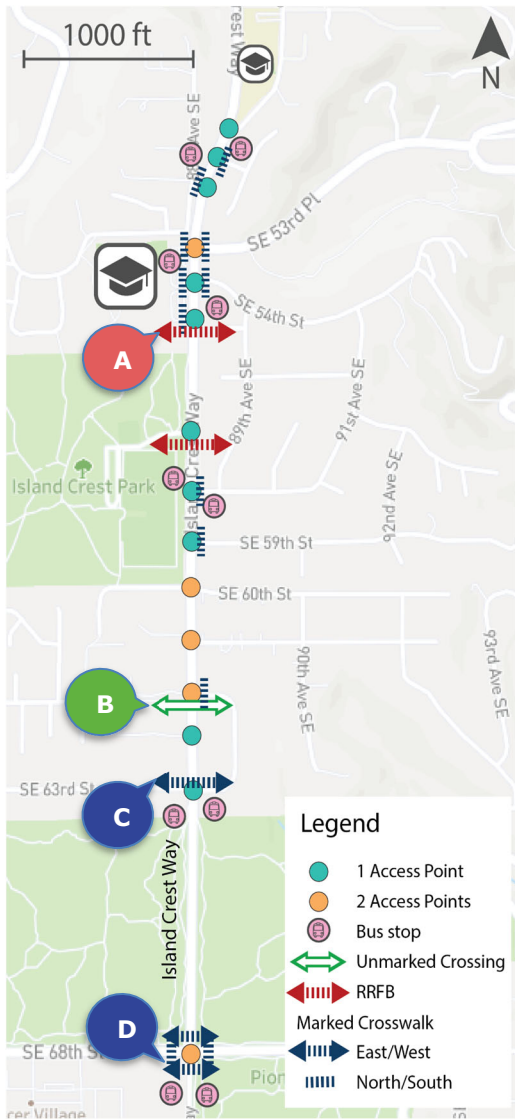
FIGURE 9. STREETLIGHTS OUT ON BOTH SIDES OF SE 58TH ST INTERSECTION (12/2/2021).



FIGURE 10. ISLAND CREST WAY AT NIGHT.

*“This stretch is very dark. When driving, I’m cautious to watch for peds, especially during the dark months. I don’t walk along here during the night at all.” - Survey Respondent, December 2021*

ACTIVE TRANSPORTATION NEEDS



During the study period, three pedestrian-involved and two bicyclist-involved collisions were recorded along the study corridor. Of these five collisions, one resulted in a possible injury, three in a minor injury, and one was a serious injury crash at the SE 63rd Street crosswalk in dark conditions.

The map on the left presents an inventory of access points, transit bus stops, marked crosswalks, and Rectangular Rapid Flashing Beacon (RRFB) locations along the study corridor. The bus stop locations are served by route Metro Transit Route 204 with a bus frequency of 30 minutes. Route 204 is operational Monday - Friday from 5:50 AM to 6:29 PM and Saturday 9:00 AM to 6:01 PM.<sup>5</sup> There is one RRFB located at the southeast corner of the elementary school and approximately 700 feet south, there is another RRFB located at Island Crest Park. Both RRFB locations have a pedestrian warning sign on one side, facing the oncoming traffic, and are well lit.

Along the east side of the study corridor, there is a paved, shared use path approximately 6-8 foot wide with a buffered grass shoulder from the road. On the west side of Island Crest Way, there is a soft surface path that is used by pedestrians; however, it meanders and slopes around trees, vegetation, and driveways. The west side informal path is often used by adults who park on the shoulders of Island Crest Way and wait for the students during pick-up times. However, during wet road conditions, the unpaved path becomes uneven and muddy. Photo A on the next page shows the narrow, muddy path, just south of the Elementary School RRFB on the west side. During the afternoon pick-up time, the project team observed several pedestrians walking on the road, against opposing traffic, in order to avoid the muddy trail.

At SE 62nd Street, there is an access point to Stevenson Property Trail on the west side of Island Crest Way, as shown in Photo B in the next page. This bike route is a gravel pathway that leads to 84th Avenue SE and South Mercer Playfields. Based on the Mercer Island Bicycle Routes Map,<sup>6</sup> Island Crest Way serves an important bicycle connection from 84th Avenue SE to 86th Avenue SE. However, cyclists are expected to use caution along Island Crest Way because of higher speeds and lack of shoulders or curb lanes.

<sup>5</sup> Route 204 information: [https://moovitapp.com/index/en/public\\_transit-line-204-Seattle\\_Tacoma\\_Bellevue\\_WA-522-5872-666053-0](https://moovitapp.com/index/en/public_transit-line-204-Seattle_Tacoma_Bellevue_WA-522-5872-666053-0)

<sup>6</sup> Mercer Island Bicycle Route Map: [https://www.mercerisland.gov/sites/default/files/fileattachments/community/page/23841/bicycle\\_map.pdf](https://www.mercerisland.gov/sites/default/files/fileattachments/community/page/23841/bicycle_map.pdf)

Photos C and D provide visuals of the marked crossings at SE 63rd Street and SE 68th Street, respectively. The pavement striping has faded, and some stop bars could also be refreshed to improve visibility. Also, these crossings do not appear to be Americans with Disabilities Act (ADA) compliant with regard to ramp access. Lighting at each of the crosswalks needs to be evaluated. In particular, at the crosswalk at SE 63rd Street, there is insufficient lighting to provide visibility at nighttime.

A



Photo A: Informal path on the west side of Island Crest Way, just south of the Island Park Elementary School (facing northbound).

B



Photo B: Bike Route crossing south of SE 62nd Street (facing northbound). Existing street light on the east side. No lighting provided on the west side of Island Crest Way at this crossing.

C



Photo C: Marked crossing at SE 63rd Street with signing (facing southbound).

D



Photo D: Marked crossing at SE 68th Street intersection (facing northbound from southeast corner).

**OTHER FIELD OBSERVATIONS**

In addition to the topics listed above, the study team identified several other potential safety needs along the corridor:

**Vegetation.** At several locations along Island Crest Way and at intersections, vegetation blocked signs or limited intersection sight distance for road users.

**Median Trees and Signing.** A few locations along the corridor include trees in the median, which introduce fixed object near the traveled way. These same medians have non-standard red-and-white object markers to delineate the presence of trees.

**Pavement Marking.** In general, pavement marking is worn and needs to be re-marked along the edgeline and at crosswalks. Some centerline marking is only raised pavement markers with no striping underneath. When markers are non-reflective or missing, this causes gaps in delineation.



**HOT SPOT ANALYSIS**

The following section describes the existing conditions at key intersections based on lane configuration, traffic operations, crash data, and the project teams’ field visit observations

**ISLAND CREST ELEMENTARY SCHOOL**

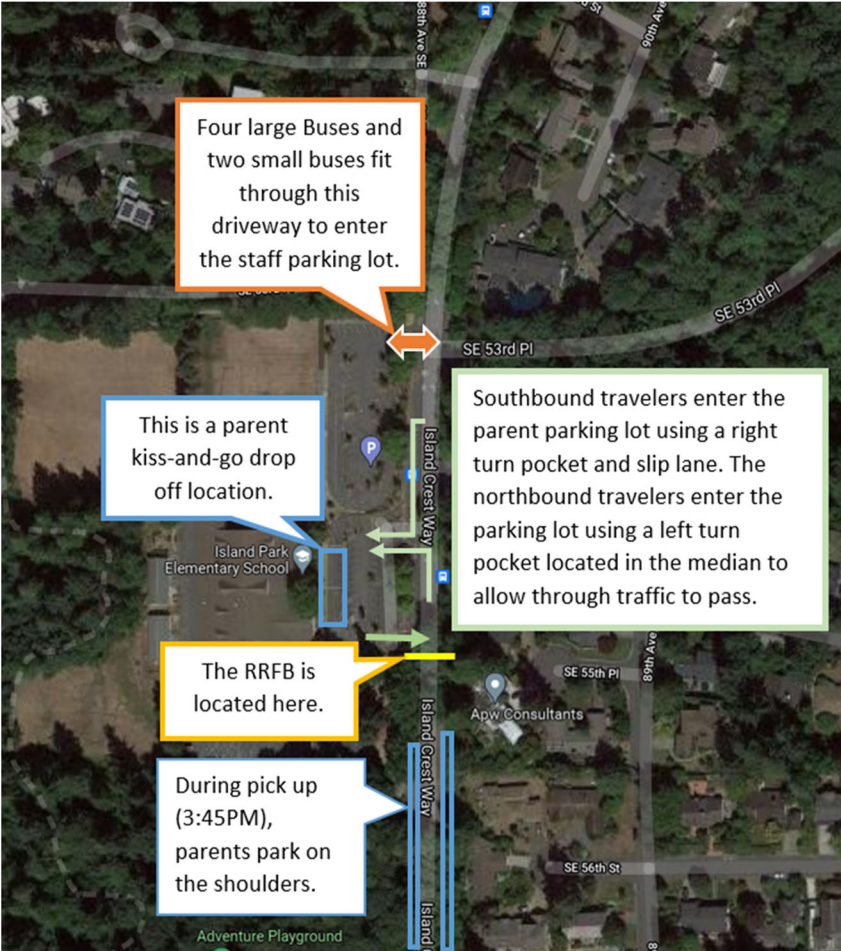
There are two schools near the study corridor. Northwest Yeshiva High School is located north of the study corridor on 90th Avenue SE, and Island Park Elementary School is located adjacent to the study corridor, just south of SE 53rd Place. Figure 11 shows typical operations of this area.

Island Park Elementary School is one of the priority locations along the study corridor since there is a high volume of pedestrians, bicycles, personal vehicles, and school buses entering and exiting the campus. The study team conducted both morning and afternoon peak field visits at Island Park Elementary School and spoke with school representatives about potential safety concerns and daily operations.

Island Park Elementary School has 67 staff who serve approximately 425 students. On a typical school day, the school doors open at 8:50 AM and school starts at 9:10 AM. Parents start to drop off their children around 8:05 AM. School buses start picking up students at 8:30 AM and the last bus arrives on campus at 9:05 AM. Approximately 450 feet north and south of the school, there are school speed limit 20 mph flashing signs that turn on at 8:45 AM.<sup>7</sup>

For the PM peak, the typical school day ends at 3:45 PM. Parents begin waiting in the parking lot at approximately 3:30 PM and the parking lot generally becomes full by 3:40 PM. Other parents park on the unpaved shoulders along Island Crest Way south of the school. The parent parking lot generally clears within 10 minutes of student release. With the help of a flagger, school buses leave the separate parking lot at 3:55 PM at the intersection of SE 53rd Street.

One of the main crossings for the school is the RRFB controlled crosswalk located on the south end of Island Park Elementary School. This crossing is heavily used for students and faculty during the school drop-off and pick-up times and is assisted by a flagger.



**FIGURE 11. ISLAND PARK ELEMENTARY SCHOOL PARKING LOT OPERATIONS.**

<sup>7</sup> This is a recent change, as the school speed limit previously turned on earlier in both the AM drop-off and PM pick-up times.

## SE 53RD PLACE

There are two main parking lots to access the school. The north parking lot serves the school staff and school buses. The only entry/exit point to the north staff parking lot is across from SE 53rd Place. The south parking lot serves as a drop-off and pick-up location for parents and guardians.

One of the main locations that the project team has heard concerns about is regarding the entry/exit driveway to the north parking lot, which operates as a two-way stop-controlled intersection. A horizontal curve just north of the intersection results in less-than-ideal sight distance for side street motorists as they look to the north. This is most evident for westbound left-turning drivers who are seeking a gap in northbound and southbound Island Crest Way traffic to make their movement.

In particular, during the PM pick-up time (3:45 PM), the school buses require assistance exiting the north parking lot. Currently, a flagger assists school buses by stopping northbound and southbound traffic to allow the buses to turn onto Island Crest Way. Without the assistance of the flagger, the constant through traffic makes it challenging for bus drivers to attempt to make a turn onto Island Crest Way.

Based on the traffic counts and field observations, there is pedestrian activity on both the east leg and west leg of this intersection. During the site visits, the project team observed pedestrians running across Island Crest Way to cross the street, but there is no marked crosswalk or pedestrian crossing warning signs at the intersection.

At the intersection of SE 53rd Place and Island Crest Way, there were three reported collisions during the study period, none of which resulted in an injury:

- In January 2016, a westbound vehicle from SE 53rd Place was making a left turn to southbound Island Crest Way and hit a car making an eastbound right turn from the school parking lot.
- In February 2018, a driver traveling northbound stopped for a flagger at 9:14 AM and a distracted driver rear-ended that vehicle.
- In March 2019, a collision involved a westbound vehicle from SE 53rd Place making a right turn and a vehicle traveling northbound on Island Crest Way.

*"Once I'm on the road, it's fine, but it's so hard to merge into it, specifically the intersection at 53rd in front of Island Park Elementary." - Survey Respondent,*

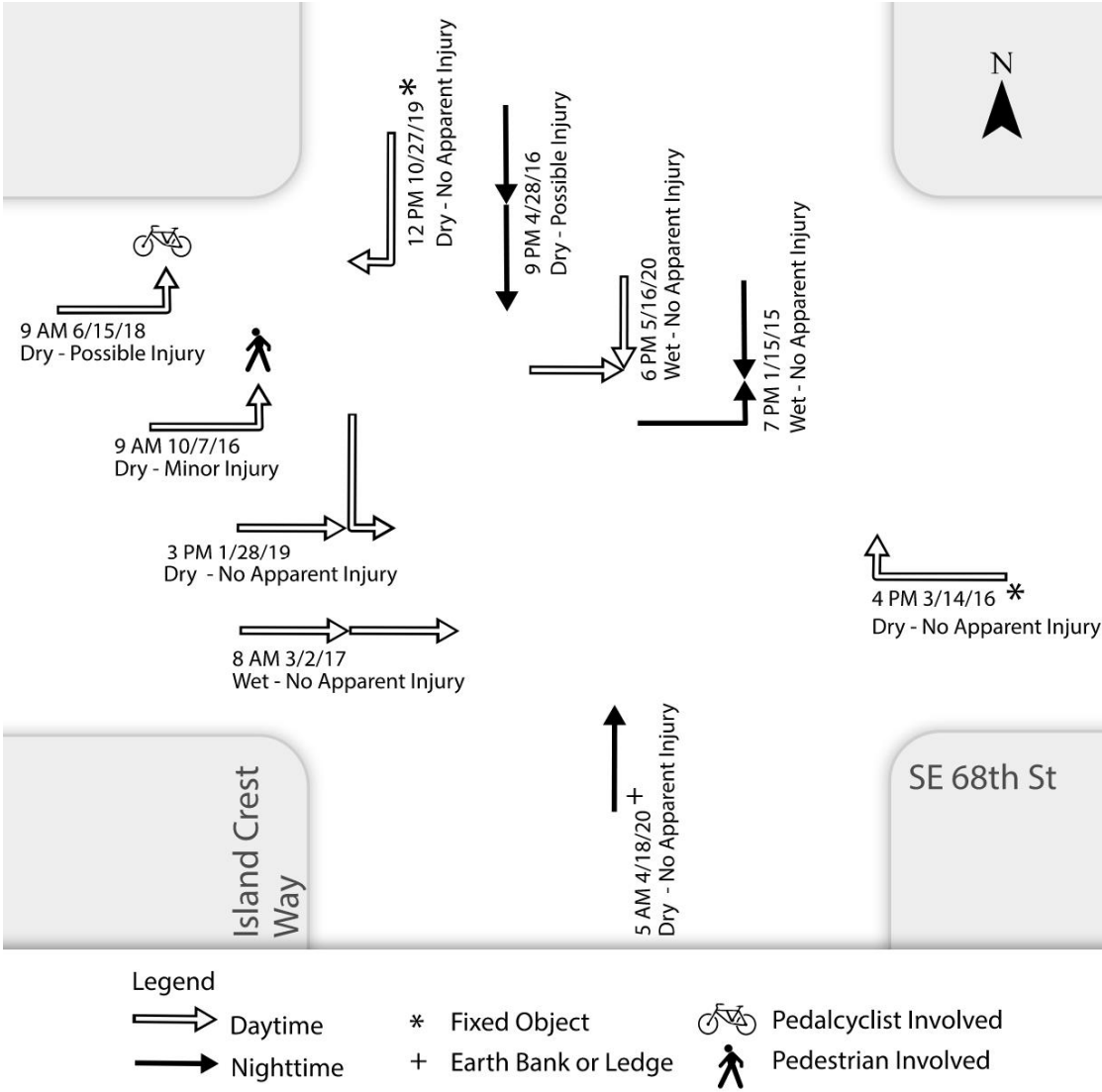


**SE 68TH STREET**

This four-way stop intersection is one of the most significant intersections along the study corridor, in terms of the number of crashes and daily activity. Over the six-year study period, approximately one in five collisions along the entire study corridor occurred at this intersection.

The crash diagram shown in Figure 14 illustrates the vehicle movements, severity, date, and time of all the crashes that occurred during the study period. There have been two pedestrian and bicycle crashes that involved an eastbound left-turning vehicle. Based on the pedestrian counts collected in 2018, pedestrian activity is present on all four legs, with the highest amount of pedestrian traffic crossing the north leg of the intersection. Also, the study team observed multiple runners during the PM peak field visit in December 2021 at this intersection.

The intersection provides access to three trail access points to Pioneer Park in the northeast, southeast, and northwest corners. Pioneer Park is one of the largest parks in Mercer Island and provides a large network of unpaved non-motorized trails. Furthermore, there is also a shopping plaza southwest of the intersection that includes a grocery store, restaurants, and a park-and-ride transit stop.



**FIGURE 14: CRASH DIAGRAM FOR SE 68TH ST AND ISLAND CREST WAY INTERSECTION (2015-2020).**



The project team conducted multiple site visits to the SE 68th St intersection. During the afternoon field visit, sunset began around 5:00 PM and the areas without streetlights have limited visibility. Although at the intersection there is sufficient lighting to illuminate the intersection, it is very dark leading up to the intersection for all approaches.

The southbound approach has a vertical grade approaching the intersection, making it difficult for drivers to know there is an intersection approaching. As shown in Figure 15, leading up to the intersection, there are multiple signs on the west side of the road, which are difficult to read as they are installed in close proximity to one another. Due to approach grade, faded edgeline pavement markings, and absence of curbs, drivers may have limited visibility approaching roadside objects.



FIGURE 15: SIGNAGE ON WEST SIDE, APPROACHING SOUTHBOUND OF SE 68TH ST INTERSECTION.

*“In particular, the intersection of ICW and SE 68th is a choke point for cars and a tricky place to be a pedestrian.” - Survey Respondent, December 2021*



*“Coming out of the NW quadrant of Pioneer Park and crossing over to the NE quadrant requires contending with cars who don’t stop and take that corner at high speeds.” - Survey Respondent, December 2021*



PUBLIC INPUT

On December 2, 2021, the City of Mercer Island published an online survey on the "Let's Talk" website to solicit information from the public. To increase promotion of the website, the City of Mercer Island also provided flyers to students and staff at the Island Park Elementary School. The survey was closed on January 3, 2022, and results were retrieved for this analysis. In total, there were 499 survey responses, and the following figures provide a high-level summary of the results:



499

Respondents



57%

Travel along Island Crest Way EVERY DAY



9%

Walk along Island Crest Way as a common mode of travel



86%

Drive along Island Crest Way as a common mode of travel

REPRESENTATIVE RESPONDENT QUOTES

"You can't walk the entire route without having to cross Island Crest because [of the lack] of sidewalks."



"Riding a bike on the sidewalk is dangerous at intersections where cars come out too far toward Island Crest to see."



"When traveling by car I worry about the crosswalks, especially during the spring and summer with the foliage is heavy and it is difficult to spot pedestrians waiting to cross when the sidewalks are often hidden by the trees."



"This stretch of road is straight with well-marked lanes and drivers generally seem to be safely traveling down this road."



"First of all, it is too narrow, secondly, it is very dark during the night. I would like to see a walk/bike path where my kids can safely walk or bike on Island Crest Way all the way from south QFC to north QFC. Currently, they have to take an extra longer loop inside the neighborhood streets because it is not safe for them to ride on Island Crest Way."





64%

Of respondents feel safe travelling the study corridor



#1

Safety Concern is Bicyclist Safety



85+

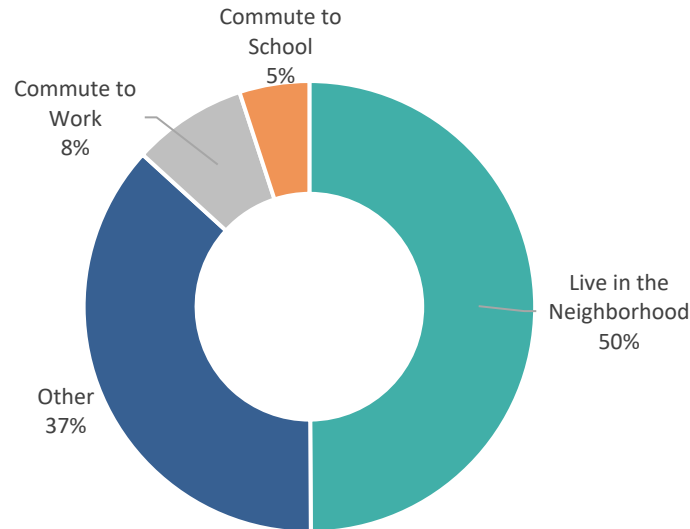
Comments about improving lighting along the corridor



13%

Of Respondents are a student or have a student attending Island Park Elementary School

WHY DO YOU PRIMARILY TRAVEL ALONG THIS STRETCH OF ISLAND CREST WAY?



OTHER RESPONDENT QUOTES

*"Generally ok, but needs more lighting at night and have trees trimmed back."*

*"It would be good to have a lighted sign at the intersection of ICW & 63<sup>rd</sup>."*

*"Having lived 21 years (my entire life) in this neighborhood, the potential for a pedestrian vs. car collision is immense. I have almost been hit several times on my bike or while walking, and I've definitely had some near misses with pedestrians as a driver. It is my belief that this is caused due to poor sightlines, particularly when it is dark out, a lack of crosswalks, and a high-speed limit. "*

## NEXT STEPS

Following is a summary of identified needs along Island Crest Way.

- There are many crosswalks that are not ADA compliant and have poor lighting at night.
- Vegetation covers signs and limits sight distance at several locations along the Island Crest Way corridor and at intersections.
- During nighttime driving, it can be difficult to view the worn out edgeline striping, centerline pavement marking, and faded crosswalk markings.
- There is sign clutter and overhanging tree canopy that can potentially block the southbound approach at SE 68th Street intersection.
- Bike route crossing near SE 62nd Street has no pavement markings or signage for the northbound approach to warn vehicles of potential cyclists crossing the road.
- SE 53rd Place intersection provides the only exit/entrance point for school buses to access the school parking lot. There have been vocal concerns regarding the safety of the side street approaches turning onto Island Crest Way.
- The SE 68th Street intersection has experienced the highest frequency of collisions in the study section.
- Bicyclists and pedestrians expressed concerns about safely navigating the corridor.

The next tasks of this study are confirming the safety needs in this memo, identifying strategies to address these safety needs, and proposing a prioritized set of solutions, estimated relative costs and benefits, and potential funding sources to the City of Mercer Island.

# APPENDIX C: EXISTING TRAFFIC OPERATIONS ASSESSMENT



## EXISTING TRAFFIC OPERATIONS ASSESSMENT (FINAL)

DATE: January 7, 2022

TO: Lia Klein, PE | City of Mercer Island

FROM: Yilun Xu, PE | DKS  
Brian Chandler, PE, PTOE, RSP<sub>21B</sub>, PMP | DKS

SUBJECT: Mercer Island - Island Crest Way Corridor Traffic Operations      21212-000  
Assessment

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This memorandum documents the assessment of current traffic operations along Island Crest Way between 90th Avenue SE and SE 68th Street in Mercer Island, WA. The traffic operations analysis focuses on the intersections at SE 53rd Place, SE 54th Street, and SE 68th Street, and pedestrian crossing and parking lot access near Island Park Elementary School.

### SITE OVERVIEW

The study corridor, Island Crest Way between 90th Avenue SE and SE 68th Street, is situated in the southern center of the City of Mercer Island, as shown by **Figure 1**.

The SE 53rd Place and SE 54th Street intersections are currently two-way stop controls, while the SE 68th Street intersection is an all-way stop control. The traffic operations assessment supports the Island Crest Way corridor safety analysis to identify existing traffic operation deficiencies and opportunities for further improvement.

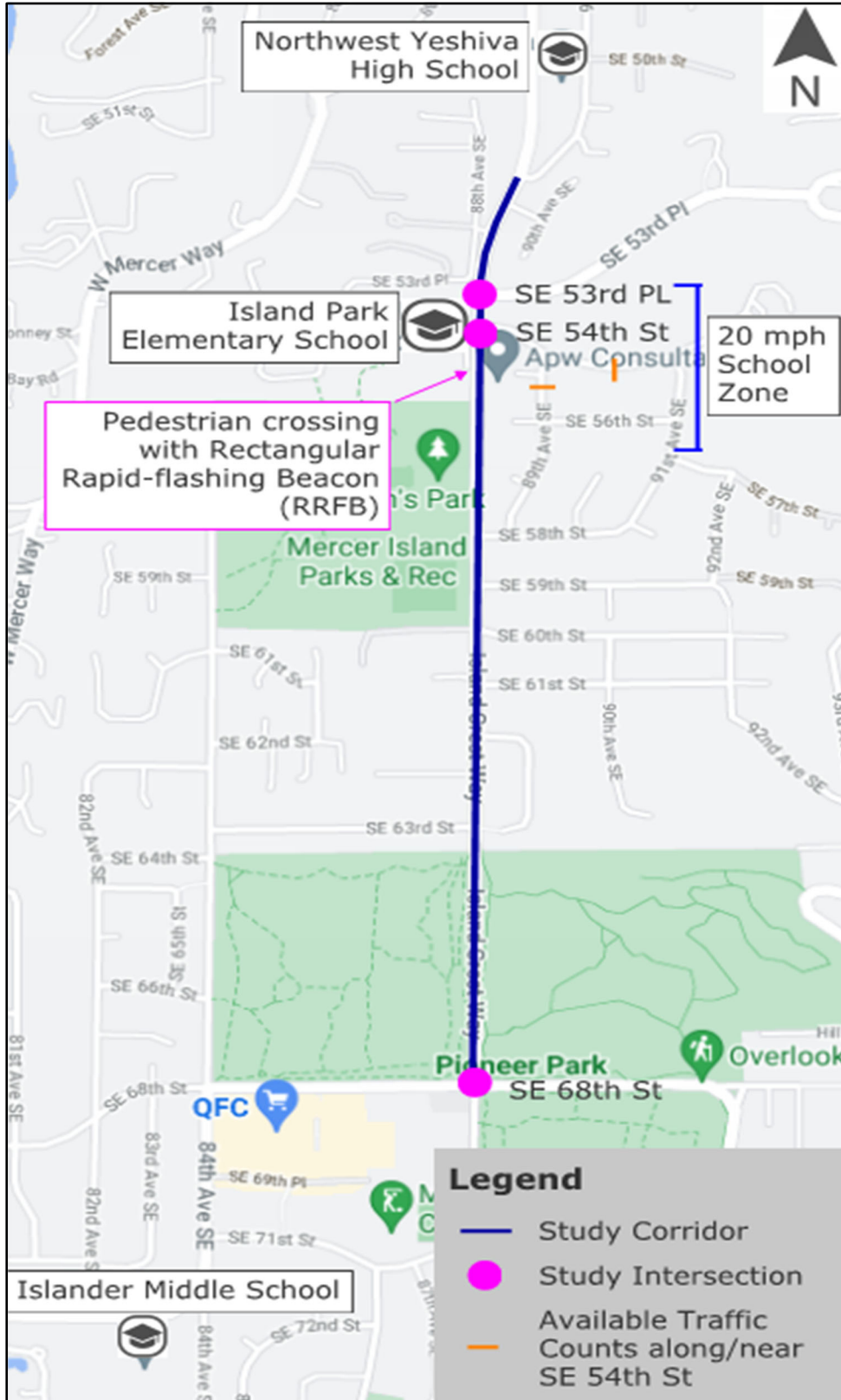


FIGURE 1: STUDY CORRIDOR AND STUDY INTERSECTIONS

## OPERATIONS ASSESSMENT

The traffic operations assessment includes Synchro traffic models during the AM and PM peak hours (7:30 - 8:30 AM and 5:00 – 6:00 PM, respectively) at the three most congested study intersections (SE 53rd Place, SE 54th Street, and SE 68th Street). It also documents the traffic operations observations, particularly around the Island Park Elementary School, during the study team’s two site visits on Tuesday, November 16, 2021 (AM) and Thursday, December 2, 2021 (PM).

### KEY STUDY INTERSECTIONS

The most recent Synchro models and traffic volumes for traffic operation analysis at the three study intersections were obtained from the City of Mercer Island. The turning movement counts at SE 53rd Place and SE 68th Street intersections were collected in 2018 (**Appendix A**).

Turning movement counts were not available for SE 54th Street, so the team developed a method to derive a reasonable estimate as follows:

1. Collected data from tube counts along SE 54th Street that were collected in 2010 (**Appendix A**).
2. Combined two additional tube counts along/near SE 54th Street (one on and one east of 89th Avenue SE, as shown in **Figure 1** above) to derive the approach volume of SE 54th Street at Island Crest Way.
3. Assigned turning movements in/out of SE 54th Street based on approach volume and general travel pattern.
4. To improve the accuracy of the derived turning movement counts, collected traffic volumes for southbound right-turn vehicles into the Island Park Elementary School parent parking lot at SE 54th Street during the AM peak site visit (PM peak hour volume at this movement was expected to be minimal).
5. Balanced traffic volumes at SE 53rd Place and SE 54th Street intersections in the Synchro models due to their close proximity.

No traffic volume growth has been assigned between data collection and current conditions, due to mostly residential land use and lack of recent redevelopment projects along the study corridor.

Delay, Level of Service (LOS), and 95th percentile queue lengths for the AM and PM peak hours are reported from the Synchro models using the Highway Capacity Manual (HCM) 6th Edition method and summarized in **Table 1** and **Table 2**, respectively. According to the HCM, the LOS for two-way stop intersections such as the SE 53rd Place and SE 54th Street intersections is reported based on the delay of the worst side-street approach, while that for all-way stop intersections such as SE 68th Street intersections is reported based on overall intersection delay. Detailed Synchro model outputs are documented in **Appendix B**.



**TABLE 1: TRAFFIC OPERATIONS PERFORMANCE - AM PEAK HOUR**

INTERSECTION	TRAFFIC CONTROL	WORST APPROACH DELAY (SEC/VEH) / LOS*		WORST 95TH %TILE QUEUE (VEH)
SE 53RD PL	Two-way Stop	84.5 / F (Westbound)		4.1 (westbound)
SE 54TH ST	Two-way Stop	43.4 / E (Westbound)		1.2 (Westbound)
INTERSECTION	TRAFFIC CONTROL	OVERALL DELAY / LOS	WORST APPROACH DELAY / LOS	WORST 95TH %TILE QUEUE (VEH)
SE 68TH ST	All-way Stop	48.2 / E	94.1 / F (eastbound)	16.7 (eastbound)

\* LOS FOR TWO-WAY STOP CONTROLS IS REPORTED BASED ON THE WORST APPROACH DELAY.

**TABLE 2: TRAFFIC OPERATIONS PERFORMANCE - PM PEAK HOUR**

INTERSECTION	TRAFFIC CONTROL	WORST APPROACH DELAY (SEC/VEH) / LOS*		WORST 95TH %TILE QUEUE (VEH)
SE 53RD PL	Two-way Stop	77.6 / F (Westbound)		3.6 (westbound)
SE 54TH ST	Two-way Stop	39.2 / E (Westbound)		0.8 (Westbound)
INTERSECTION	TRAFFIC CONTROL	OVERALL DELAY / LOS	WORST APPROACH DELAY / LOS	WORST 95TH %TILE QUEUE (VEH)
SE 68TH ST	All-way Stop	18.1 / C	21.4 / C (eastbound)	5 (eastbound)

\* LOS FOR TWO-WAY STOP CONTROLS IS REPORTED BASED ON THE WORST APPROACH DELAY.

The traffic operation analysis indicates that the congested study intersections do not meet the LOS standard of D as required by the City of Mercer Island Comprehensive Plan<sup>1</sup>, with the exception of the SE 53rd Place intersection which is exempt from the LOS D standard until traffic volumes increase and signal warrants are met.

The analysis results also reveal that AM peak hour is more congested than the PM peak hour at the three study intersections, which is consistent with field visit observations and the fact that AM commuter traffic and AM school traffic occur at similar times along Island Crest Way. The long delays at the side-street at the SE 53rd Place and SE 54th Street intersections are due to heavy traffic along Island Crest Way during the peak hours, providing limited gaps for side-street vehicles to enter. At the westbound approach (the most delayed approach) of the SE 53rd Place intersection, the majority of delay results from the heavily delayed westbound left-turning and through vehicles. Right-turning vehicles could not pass them due to the single lane approach configuration.

<sup>1</sup> Comprehensive Plan. City of Mercer Island. [https://library.municode.com/wa/mercer\\_island/codes/comprehensive\\_plan?nodeId=MEISCOPL\\_4T\\_REL\\_IITRSYXICO\\_LESEST](https://library.municode.com/wa/mercer_island/codes/comprehensive_plan?nodeId=MEISCOPL_4T_REL_IITRSYXICO_LESEST). September 30, 2021.

At the SE 68th Street intersection, the eastbound approach could be delayed by more than 90 seconds per vehicle during the AM peak hour with queues up to 17 vehicles (or approximately 340 feet assuming 20 feet per vehicle), contributing to the intersection overall delay. This delay and queuing are driven mostly by the heavy eastbound left-turn demand (over 400 vehicles/hour) in the AM peak hour. The LOS E for the AM peak hour at the SE 68th Street intersection is also worse than the LOS D shown in the City of Mercer Island Comprehensive Plan. This is due to a Peak Hour Factor (PHF) update in the latest model based on the recent traffic counts in **Appendix A**. A PHF is an adjustment factor in traffic analysis and modeling that addresses the traffic flow rate difference between the busiest 15 minutes and the peak hour.

## SCHOOL TRAFFIC OBSERVATIONS

In addition to the AM and PM peak hours, congestion around the Island Park Elementary School (near the SE 53rd Place and SE 54th Street intersections) has also been reported during the school's morning drop-off and afternoon pick-up times. When school is in session, the daily schedule starts at 9:15 AM and ends at 3:45 PM, except for Wednesday's early dismissal at 2:05 PM.

There are two parking lots for the Island Park Elementary School. The one on the north (entry/exit at SE 53rd Place) is for staff parking and school bus drop-off and pickup. The one on the south, with entrance on the north end and exit on the south end and generally counterclockwise traffic flow, is used for parent drop-off, pickup, and short-term parking. Based on the site observations, parking lot operations appeared to be efficient and no significant backup inside the parking lot was identified beyond the expected queuing during after-school pickup.

As observed during the morning site visit on Tuesday, November 16, 2021, congestion around the Island Park Elementary School starts at around 8 AM when a pedestrian crossing with a Rectangular Rapid-flashing Beacon (RRFB) near the south side of the school starts to experience frequent crossing activities before the scheduled pick-up of the school bus heading south towards the Islander Middle School. This is also in the middle of the AM peak hour (7:30-8:30 AM) based on traffic volume, so northbound and southbound traffic queues up quickly along Island Crest Way. The queues were observed to be present until 8:15 AM.

Soon after the AM peak hour, at 8:45 AM, the 20 mph school zone sign was activated around the elementary school, where traffic speed was observed to be noticeably slower as a result. Around this same time, parents started to arrive at the south school parking lot to wait for the school door to open. Parent drop-off activities were observed to continue until 9:15 AM. During this time, school crossing guards are out at the RRFB pedestrian crossing to assist student crossings as well as the exiting traffic from the parking lot. Long northbound and southbound queues along Island Crest Way were observed until shortly after 9:15 AM due to the frequent crossing activities with RRFB activations and vehicles exiting the parking lot. Based on the field observation, the parking lot continued to clear and was never fully occupied, while several vehicles were also seen parking on the unpaved shoulder along the east side of Island Crest Way just south of the RRFB crossing to avoid the area congestion.

As observed during the afternoon site visit on Thursday, December 2, 2021, heavy northbound traffic along Island Crest Way started to build up at around 2:55 PM, shortly after Islander Middle School's release at 2:50 PM. The northbound school bus dropped off students on the east side of Island Crest Way near the RRFB crossing on the south side of the Island Park Elementary School at around 3:05 PM, adding to the northbound congestion. The congestion was observed to dissipate by 3:25 PM.

At the Island Park Elementary School, the parent pick-up parking lot became full at 3:30 PM and overflow parking started to appear along both shoulders of Island Crest Way south of the school. The 20 mph school zone sign was activated at 3:45 PM, yet pedestrian activities had been observed prior to its activation. Similar to the morning drop-off, crossing guards assisted parents' vehicles exiting the parking lot, and it was observed that the parking lot was empty by 3:55 PM.

## OPERATING SPEEDS

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In addition to the traffic operations issues revealed by the peak hour traffic models and school traffic observations, the prevailing travel speed (85th percentile speed), according to several speed studies from 2013 and 2014, was found to be around 40 mph, 5 mph above the speed limit. This was consistent with the field observations.

The 20 mph school zone speed limit at Island Park Elementary School had historically been used for a relatively long period before school start time (9:15 AM) and end time (3:45 PM). School officials shared that they recently reduced the duration of the 20 mph school speed limit (e.g., starting it closer to 8:45 AM instead of an earlier time), and in doing so have - at least anecdotally - noticed better traffic flow.

## RECOMMENDED NEXT STEPS

It is recommended that the City of Mercer Island address the identified traffic operation deficiencies along the study corridor, especially where the traffic operation fails the City's LOS standards. It is also important to balance other corridor needs around safety, environment, school operations, etc. when assessing the most suitable traffic operational improvement as the next step.

# APPENDICES

## CONTENTS

**APPENDIX A: TRAFFIC VOLUME**

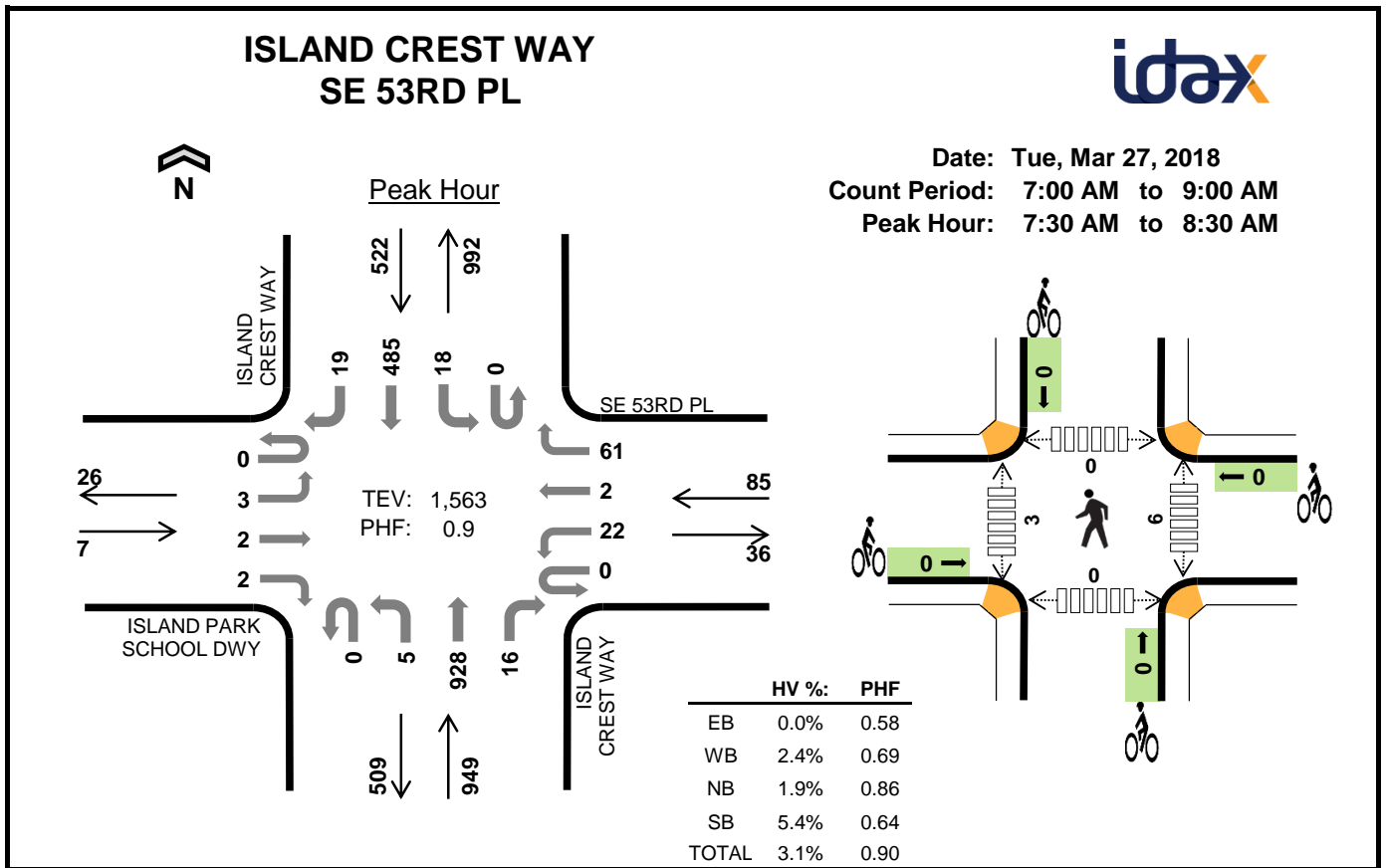
**APPENDIX B: DETAILED SYNCHRO OUTPUTS**



719 SECOND AVENUE, SUITE 1250, SEATTLE, WA 98104 • 206.382.9800 • [DKSASSOCIATES.COM](http://DKSASSOCIATES.COM)

# APPENDIX A TRAFFIC VOLUME

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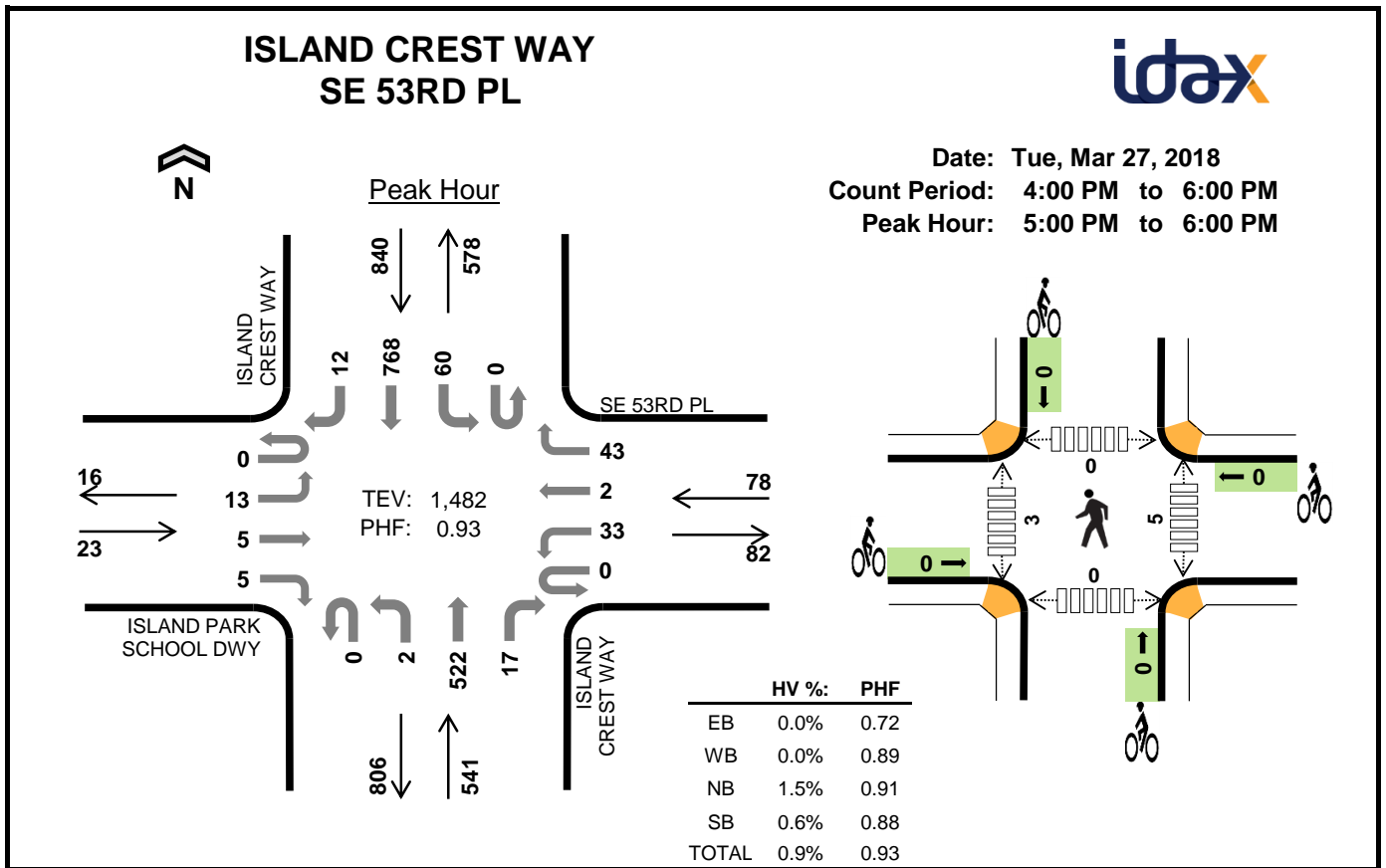


### Two-Hour Count Summaries

Interval Start	ISLAND PARK SCHOOL DWY				SE 53RD PL				ISLAND CREST WAY				ISLAND CREST WAY				15-min Total	Rolling One Hour
	Eastbound				Westbound				Northbound				Southbound					
	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT		
7:00 AM	0	0	0	0	0	3	0	5	0	0	134	0	0	3	75	2	222	0
7:15 AM	0	1	0	0	0	2	1	9	0	0	172	0	0	0	88	1	274	0
<b>7:30 AM</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>233</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>89</b>	<b>1</b>	<b>351</b>	<b>0</b>
<b>7:45 AM</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>28</b>	<b>0</b>	<b>2</b>	<b>272</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>120</b>	<b>4</b>	<b>436</b>	1,283
8:00 AM	0	2	1	0	0	9	1	9	0	2	190	5	0	8	186	10	423	1,484
8:15 AM	0	1	1	1	0	6	0	4	0	1	233	9	0	3	90	4	353	1,563
8:30 AM	0	0	0	0	0	0	1	14	0	0	161	3	0	4	72	11	266	1,478
8:45 AM	0	2	1	0	0	4	2	9	0	2	142	5	0	5	99	7	278	1,320
Count Total	0	6	3	2	0	31	6	98	0	7	1,537	24	0	30	819	40	2,603	0
<b>Peak Hour</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>22</b>	<b>2</b>	<b>61</b>	<b>0</b>	<b>5</b>	<b>928</b>	<b>16</b>	<b>0</b>	<b>18</b>	<b>485</b>	<b>19</b>	<b>1,563</b>	<b>0</b>

Note: Two-hour count summary volumes include heavy vehicles but exclude bicycles in overall count.

Interval Start	Heavy Vehicle Totals					Bicycles					Pedestrians (Crossing Leg)				
	EB	WB	NB	SB	Total	EB	WB	NB	SB	Total	East	West	North	South	Total
7:00 AM	0	0	3	6	9	0	0	0	0	0	0	0	1	0	1
7:15 AM	0	0	5	5	10	0	0	0	0	0	3	1	0	0	4
7:30 AM	0	0	3	5	8	0	0	0	0	0	1	0	0	0	1
<b>7:45 AM</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>
8:00 AM	0	2	7	13	22	0	0	0	0	0	3	1	0	0	4
8:15 AM	0	0	5	5	10	0	0	0	0	0	2	0	0	0	2
8:30 AM	0	0	5	7	12	0	0	0	0	0	1	1	0	0	2
8:45 AM	1	1	6	13	21	0	0	0	0	0	1	4	3	0	8
Count Total	1	3	37	59	100	0	0	0	0	0	11	9	4	0	24
<b>Peak Hour</b>	<b>0</b>	<b>2</b>	<b>18</b>	<b>28</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>9</b>

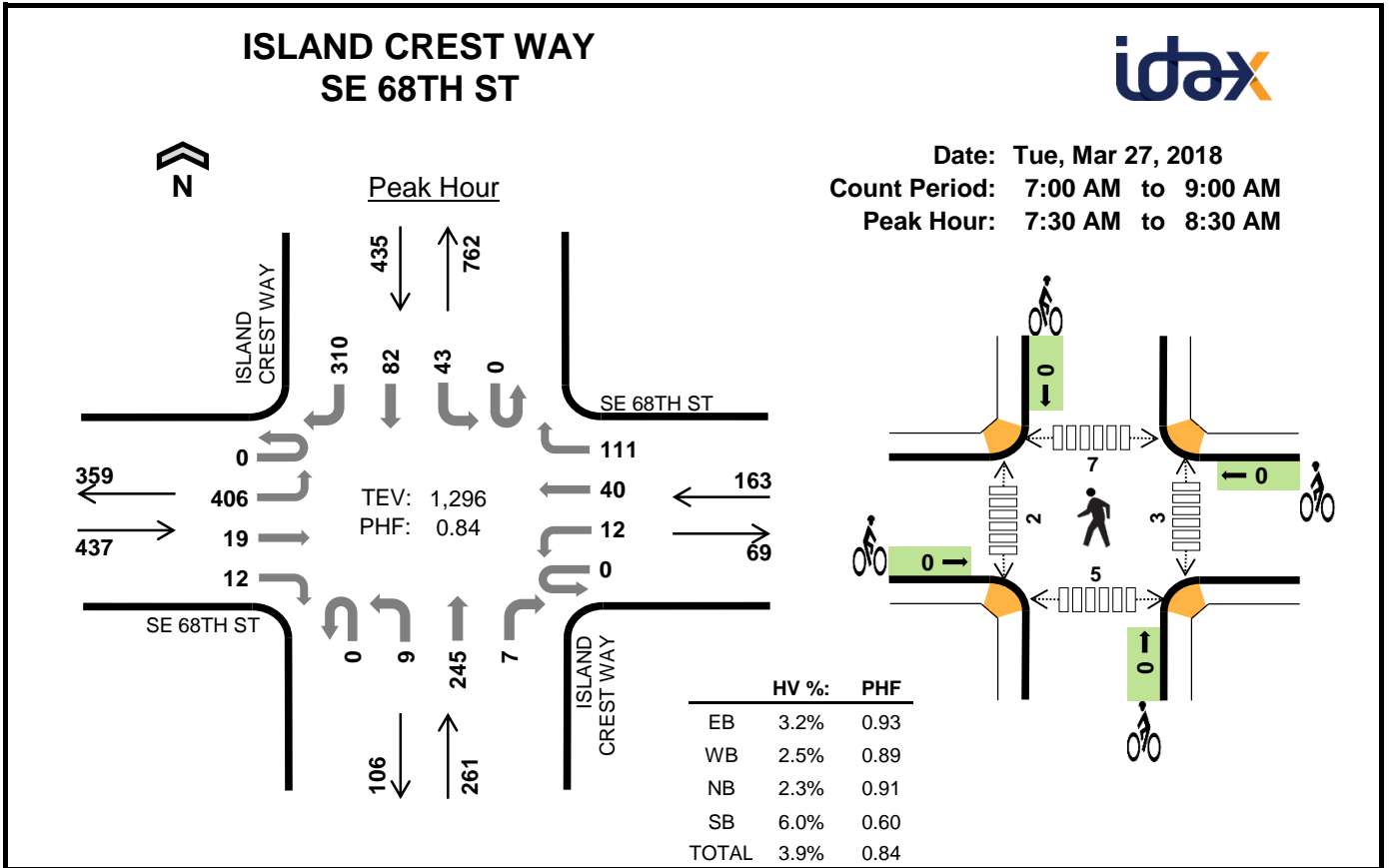


**Two-Hour Count Summaries**

Interval Start	ISLAND PARK SCHOOL DWY				SE 53RD PL				ISLAND CREST WAY				ISLAND CREST WAY				15-min Total	Rolling One Hour
	Eastbound				Westbound				Northbound				Southbound					
	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT		
4:00 PM	0	10	0	3	0	6	1	13	0	1	146	10	0	8	186	1	385	0
4:15 PM	0	7	2	0	0	9	2	13	0	0	136	6	0	11	162	4	352	0
4:30 PM	0	6	0	0	0	4	0	8	0	0	146	5	0	15	153	1	338	0
4:45 PM	0	3	0	2	0	8	0	7	0	0	135	9	0	11	198	3	376	1,451
<b>5:00 PM</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>2</b>	<b>141</b>	<b>5</b>	<b>0</b>	<b>15</b>	<b>174</b>	<b>5</b>	<b>369</b>	<b>1,435</b>
5:15 PM	0	3	1	4	0	7	1	8	0	0	136	2	0	13	174	3	352	1,435
5:30 PM	0	3	1	1	0	8	1	13	0	0	116	4	0	15	198	3	363	1,460
<b>5:45 PM</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>129</b>	<b>6</b>	<b>0</b>	<b>17</b>	<b>222</b>	<b>1</b>	<b>398</b>	<b>1,482</b>
Count Total	0	39	7	10	0	60	5	84	0	3	1,085	47	0	105	1,467	21	2,933	0
<b>Peak Hour</b>	<b>0</b>	<b>13</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>33</b>	<b>2</b>	<b>43</b>	<b>0</b>	<b>2</b>	<b>522</b>	<b>17</b>	<b>0</b>	<b>60</b>	<b>768</b>	<b>12</b>	<b>1,482</b>	<b>0</b>

Note: Two-hour count summary volumes include heavy vehicles but exclude bicycles in overall count.

Interval Start	Heavy Vehicle Totals					Bicycles					Pedestrians (Crossing Leg)				
	EB	WB	NB	SB	Total	EB	WB	NB	SB	Total	East	West	North	South	Total
4:00 PM	0	1	5	2	8	0	0	0	0	0	11	2	0	0	13
4:15 PM	1	0	6	1	8	0	0	0	0	0	1	1	0	0	2
4:30 PM	0	1	4	4	9	0	0	0	0	0	3	0	0	0	3
4:45 PM	0	0	2	1	3	0	0	0	0	0	8	0	0	0	8
<b>5:00 PM</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>5</b>
5:15 PM	0	0	0	1	1	0	0	0	0	0	1	0	0	0	1
5:30 PM	0	0	3	1	4	0	0	0	0	0	1	0	0	0	1
<b>5:45 PM</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
Count Total	1	2	25	13	41	0	0	0	0	0	28	6	0	0	34
<b>Peak Hour</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>5</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>8</b>



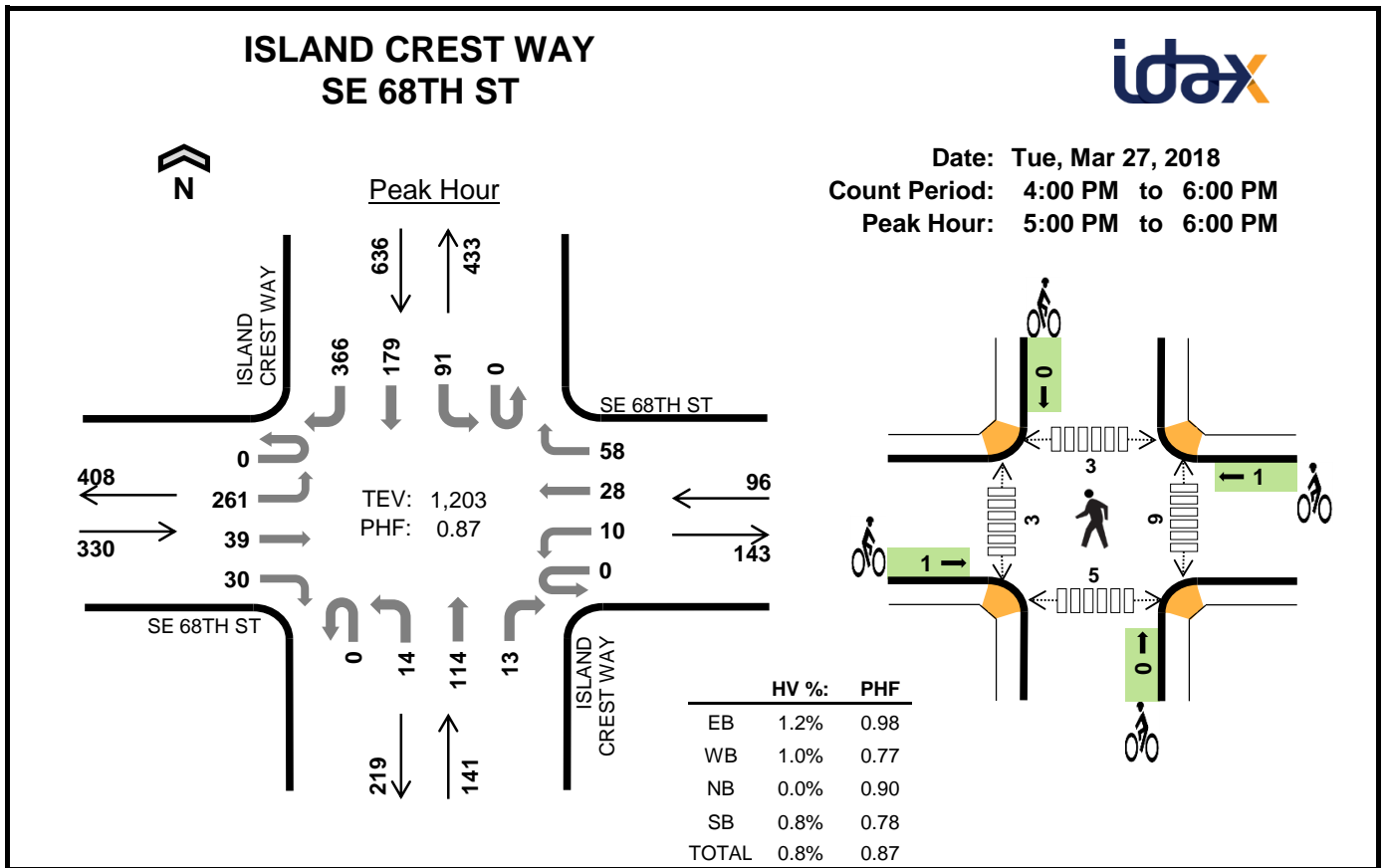
**Two-Hour Count Summaries**

Interval Start	SE 68TH ST Eastbound				SE 68TH ST Westbound				ISLAND CREST WAY Northbound				ISLAND CREST WAY Southbound				15-min Total	Rolling One Hour
	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT		
7:00 AM	0	64	5	1	0	1	5	10	0	2	41	0	0	5	12	53	199	0
7:15 AM	0	73	5	0	0	0	3	22	0	0	46	2	0	9	14	54	228	0
<b>7:30 AM</b>	<b>0</b>	<b>95</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>34</b>	<b>0</b>	<b>2</b>	<b>66</b>	<b>1</b>	<b>0</b>	<b>11</b>	<b>7</b>	<b>55</b>	<b>283</b>	0
7:45 AM	0	104	4	1	0	2	4	34	0	1	70	0	0	6	18	64	308	1,018
<b>8:00 AM</b>	<b>0</b>	<b>102</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>20</b>	<b>19</b>	<b>0</b>	<b>2</b>	<b>45</b>	<b>2</b>	<b>0</b>	<b>15</b>	<b>35</b>	<b>130</b>	<b>384</b>	1,203
8:15 AM	0	105	6	6	0	2	12	24	0	4	64	4	0	11	22	61	321	1,296
8:30 AM	0	73	4	2	0	0	4	17	0	3	27	1	0	7	9	41	188	1,201
8:45 AM	0	50	6	5	0	5	7	15	0	3	32	2	0	6	17	45	193	1,086
Count Total	0	666	39	20	0	18	59	175	0	17	391	12	0	70	134	503	2,104	0
<b>Peak Hour</b>	<b>0</b>	<b>406</b>	<b>19</b>	<b>12</b>	<b>0</b>	<b>12</b>	<b>40</b>	<b>111</b>	<b>0</b>	<b>9</b>	<b>245</b>	<b>7</b>	<b>0</b>	<b>43</b>	<b>82</b>	<b>310</b>	<b>1,296</b>	<b>0</b>

Note: Two-hour count summary volumes include heavy vehicles but exclude bicycles in overall count.

Interval Start	Heavy Vehicle Totals					Bicycles					Pedestrians (Crossing Leg)				
	EB	WB	NB	SB	Total	EB	WB	NB	SB	Total	East	West	North	South	Total
7:00 AM	5	0	0	8	13	0	0	0	0	0	0	0	1	0	1
7:15 AM	3	0	2	5	10	0	0	1	0	1	1	1	0	1	3
<b>7:30 AM</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>6</b>
7:45 AM	1	0	2	1	4	0	0	0	0	0	1	0	2	0	3
<b>8:00 AM</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>18</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>6</b>
8:15 AM	4	0	2	2	8	0	0	0	0	0	1	0	0	1	2
8:30 AM	5	1	1	7	14	0	0	0	0	0	0	0	1	0	1
8:45 AM	5	2	1	9	17	0	0	0	0	0	1	0	0	0	1
Count Total	32	7	10	55	104	0	0	1	0	1	5	3	9	6	23
<b>Peak Hour</b>	<b>14</b>	<b>4</b>	<b>6</b>	<b>26</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>7</b>	<b>5</b>	<b>17</b>





**Two-Hour Count Summaries**

Interval Start	SE 68TH ST Eastbound				SE 68TH ST Westbound				ISLAND CREST WAY Northbound				ISLAND CREST WAY Southbound				15-min Total	Rolling One Hour
	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT	UT	LT	TH	RT		
4:00 PM	0	85	9	3	0	0	4	6	0	1	34	1	0	18	42	88	291	0
4:15 PM	0	81	12	6	0	3	10	22	0	4	27	1	0	22	26	90	304	0
4:30 PM	0	72	9	7	0	0	9	8	0	0	35	1	0	15	24	73	253	0
4:45 PM	0	69	11	6	0	8	5	20	0	5	29	0	0	22	49	100	324	1,172
<b>5:00 PM</b>	<b>0</b>	<b>66</b>	<b>7</b>	<b>11</b>	<b>0</b>	<b>5</b>	<b>8</b>	<b>18</b>	<b>0</b>	<b>4</b>	<b>32</b>	<b>3</b>	<b>0</b>	<b>15</b>	<b>42</b>	<b>81</b>	<b>292</b>	<b>1,173</b>
5:15 PM	0	66	11	5	0	1	5	18	0	5	31	3	0	28	31	74	278	1,147
5:30 PM	0	63	11	7	0	0	5	12	0	2	24	3	0	21	46	94	288	1,182
<b>5:45 PM</b>	<b>0</b>	<b>66</b>	<b>10</b>	<b>7</b>	<b>0</b>	<b>4</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>3</b>	<b>27</b>	<b>4</b>	<b>0</b>	<b>27</b>	<b>60</b>	<b>117</b>	<b>345</b>	<b>1,203</b>
Count Total	0	568	80	52	0	21	56	114	0	24	239	16	0	168	320	717	2,375	0
Peak Hour	0	261	39	30	0	10	28	58	0	14	114	13	0	91	179	366	1,203	0

Note: Two-hour count summary volumes include heavy vehicles but exclude bicycles in overall count.

Interval Start	Heavy Vehicle Totals					Bicycles					Pedestrians (Crossing Leg)				
	EB	WB	NB	SB	Total	EB	WB	NB	SB	Total	East	West	North	South	Total
4:00 PM	4	0	0	3	7	0	0	0	0	0	3	0	0	2	5
4:15 PM	1	4	2	0	7	2	0	0	0	2	1	2	1	1	5
4:30 PM	0	0	0	4	4	0	0	0	0	0	7	1	1	7	16
4:45 PM	4	0	0	1	5	0	0	0	0	0	2	1	1	0	4
<b>5:00 PM</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>6</b>
5:15 PM	0	0	0	0	0	0	0	0	0	0	3	0	0	1	4
5:30 PM	3	0	0	1	4	1	0	0	0	1	2	0	0	2	4
<b>5:45 PM</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>6</b>
Count Total	13	5	2	13	33	3	1	0	0	4	22	7	6	15	50
Peak Hour	4	1	0	5	10	1	1	0	0	2	9	3	3	5	20

Start Time	08-Jul-13		Tue		Wed		Thu		Fri		Sat		Sun		Week Average	
	EB	WB	EB	WB	EB	WB	EB	WB	EB	WB	EB	WB	EB	WB	EB	WB
12:00 AM	2	1	1	1	2	2	3	2	3	2	2	3	4	4	2	2
01:00	3	1	4	1	1	1	1	1	0	0	1	1	1	1	2	1
02:00	2	2	0	0	1	0	1	0	1	0	1	1	3	0	1	0
03:00	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0
04:00	1	0	2	3	1	1	2	3	1	1	0	0	0	0	1	1
05:00	0	6	1	4	2	4	1	4	0	5	1	0	1	2	1	4
06:00	1	13	4	10	1	13	6	15	3	13	2	5	1	4	3	10
07:00	4	19	6	22	7	19	8	14	11	17	6	12	0	5	6	15
08:00	8	18	13	24	10	24	14	24	16	23	8	13	5	7	11	19
09:00	17	22	10	23	14	20	22	25	11	26	5	17	7	16	12	21
10:00	15	24	14	20	14	17	19	26	18	24	14	17	14	17	15	21
11:00	12	12	14	20	12	15	11	19	23	16	20	22	18	26	16	19
12:00 PM	15	20	16	19	14	15	16	22	19	33	18	21	16	15	16	21
01:00	22	22	8	19	8	13	12	18	18	26	16	13	18	17	15	18
02:00	21	20	19	14	20	14	15	15	32	24	17	16	20	17	21	17
03:00	23	26	25	13	19	22	26	23	26	29	15	11	20	24	22	21
04:00	18	12	18	18	15	13	37	17	13	15	22	21	29	15	22	16
05:00	28	13	20	17	26	15	20	13	22	15	15	6	18	17	21	14
06:00	19	15	24	16	23	18	22	13	27	14	13	14	13	14	20	15
07:00	16	12	24	10	15	8	22	14	11	10	16	9	12	10	17	10
08:00	17	11	16	8	19	9	19	10	14	2	10	14	20	8	16	9
09:00	16	16	21	8	10	9	11	13	7	9	6	4	12	11	12	10
10:00	9	1	4	8	6	5	7	3	7	4	5	4	9	8	7	5
11:00	3	4	8	3	5	2	5	3	3	2	15	4	4	2	6	3
Lane Day	272	290	272	281	245	259	300	297	286	310	228	228	246	241	265	272
Day	562		553		504		597		596		456		487		537	
AM Peak	09:00	10:00	10:00	08:00	09:00	08:00	09:00	10:00	11:00	09:00	11:00	11:00	11:00	11:00	11:00	09:00
Vol.	17	24	14	24	14	24	22	26	23	26	20	22	18	26	16	21
PM Peak	17:00	15:00	15:00	12:00	17:00	15:00	16:00	15:00	14:00	12:00	16:00	12:00	16:00	15:00	15:00	12:00
Vol.	28	26	25	19	26	22	37	23	32	33	22	21	29	24	22	21

Comb. Total	562		553		504		597		596		456		487		537	
ADT	Not Calculated															

# TRAFFIC COUNT CONSULTANTS, INC.

Team@tc2inc.com

(425) 861-8866

Site Code: 03

Station ID:

MERCER ISLAND, WASHINGTON  
 89TH AVE SE BETWEEN  
 SE 56TH ST & CUL DE SAC (UN-NAMED)  
 LOC# 03 S M10076

Latitude: -999' 0.000 South

Start Time	27-Sep-10		Tue		Wed		Thu		Fri		Sat		Sun		Week Average	
	NB	SB	NB	SB	NB	SB	NB	SB	NB	SB	NB	SB	NB	SB	NB	SB
12:00 AM	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
01:00	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
02:00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
03:00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
04:00	0	0	2	0	0	0	2	0	0	0	0	0	2	0	1	0
05:00	2	0	0	0	2	0	0	0	1	0	0	0	0	0	1	0
06:00	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0
07:00	1	3	3	1	2	2	2	1	4	1	3	2	0	1	2	2
08:00	5	1	10	3	14	4	6	5	6	2	2	1	1	0	6	2
09:00	6	3	6	4	6	3	2	4	6	3	6	5	6	0	5	3
10:00	4	2	7	1	4	5	2	4	4	4	4	0	0	0	4	2
11:00	4	0	4	1	7	1	3	2	4	1	1	2	6	2	4	1
12:00 PM	2	4	7	2	4	3	2	1	5	2	2	1	2	4	3	2
01:00	9	2	5	5	2	1	9	4	2	7	5	3	3	3	5	4
02:00	9	11	5	2	2	1	4	2	5	6	2	3	1	5	4	4
03:00	5	6	14	8	9	8	6	6	12	6	4	5	3	4	8	6
04:00	8	2	7	6	6	5	7	5	6	7	2	4	7	4	6	5
05:00	7	3	5	8	13	3	6	7	8	2	9	7	6	3	8	5
06:00	6	3	4	2	5	8	7	7	1	5	8	5	3	1	5	4
07:00	1	0	5	5	9	6	6	4	2	5	2	1	3	3	4	3
08:00	1	2	2	0	1	1	2	0	1	2	6	3	0	2	2	1
09:00	0	2	0	1	1	2	1	3	2	0	1	1	0	0	1	1
10:00	0	1	1	0	0	2	0	1	3	3	1	1	2	0	1	1
11:00	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0
Lane Day	70	45	87	49	87	55	68	56	72	56	60	44	46	34	70	46
AM Peak	09:00	07:00	08:00	09:00	08:00	10:00	08:00	08:00	08:00	10:00	09:00	09:00	09:00	11:00	08:00	09:00
PM Peak	13:00	14:00	15:00	15:00	17:00	15:00	13:00	17:00	15:00	13:00	17:00	17:00	16:00	14:00	15:00	15:00
Volume	6	3	10	4	14	5	6	5	6	4	6	5	6	2	6	3
Volume	9	11	14	8	13	8	9	7	12	7	9	7	7	5	8	6

Comb. Total	115	136	142	124	128	104	80	116
ADT	Not Calculated							

# APPENDIX B DETAILED SYNCHRO OUTPUTS

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Intersection												
Int Delay, s/veh	5											
Movement	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR
Lane Configurations		↕			↕		↕	↕		↕	↕	
Traffic Vol, veh/h	3	2	2	22	2	61	5	928	16	18	485	19
Future Vol, veh/h	3	2	2	22	2	61	5	928	16	18	485	19
Conflicting Peds, #/hr	0	0	0	0	0	0	3	0	6	6	0	3
Sign Control	Stop	Stop	Stop	Stop	Stop	Stop	Free	Free	Free	Free	Free	Free
RT Channelized	-	-	None	-	-	None	-	-	None	-	-	None
Storage Length	-	-	-	-	-	-	60	-	-	60	-	-
Veh in Median Storage, #	-	0	-	-	0	-	-	0	-	-	0	-
Grade, %	-	0	-	-	3	-	-	0	-	-	0	-
Peak Hour Factor	90	90	90	90	90	90	90	90	90	90	90	90
Heavy Vehicles, %	0	0	0	2	2	2	2	2	2	5	5	5
Mvmt Flow	3	2	2	24	2	68	6	1031	18	20	539	21

Major/Minor	Minor2		Minor1		Major1			Major2				
Conflicting Flow All	1680	1660	553	1650	1661	1046	563	0	0	1055	0	0
Stage 1	593	593	-	1058	1058	-	-	-	-	-	-	-
Stage 2	1087	1067	-	592	603	-	-	-	-	-	-	-
Critical Hdwy	7.1	6.5	6.2	7.72	7.12	6.52	4.12	-	-	4.15	-	-
Critical Hdwy Stg 1	6.1	5.5	-	6.72	6.12	-	-	-	-	-	-	-
Critical Hdwy Stg 2	6.1	5.5	-	6.72	6.12	-	-	-	-	-	-	-
Follow-up Hdwy	3.5	4	3.3	3.518	4.018	3.318	2.218	-	-	2.245	-	-
Pot Cap-1 Maneuver	76	98	537	60	74	254	1008	-	-	649	-	-
Stage 1	496	497	-	228	253	-	-	-	-	-	-	-
Stage 2	264	301	-	446	442	-	-	-	-	-	-	-
Platoon blocked, %								-	-	-	-	-
Mov Cap-1 Maneuver	53	94	536	57	71	253	1005	-	-	646	-	-
Mov Cap-2 Maneuver	53	94	-	57	71	-	-	-	-	-	-	-
Stage 1	492	481	-	225	250	-	-	-	-	-	-	-
Stage 2	190	298	-	428	427	-	-	-	-	-	-	-

Approach	EB	WB	NB	SB
HCM Control Delay, s	51	84.5	0	0.4
HCM LOS	F	F		

Minor Lane/Major Mvmt	NBL	NBT	NBR	EBLn1WBLn1	SBL	SBT	SBR
Capacity (veh/h)	1005	-	-	86	130	646	-
HCM Lane V/C Ratio	0.006	-	-	0.09	0.726	0.031	-
HCM Control Delay (s)	8.6	-	-	51	84.5	10.8	-
HCM Lane LOS	A	-	-	F	F	B	-
HCM 95th %tile Q(veh)	0	-	-	0.3	4.1	0.1	-

Intersection												
Int Delay, s/veh	1.1											
Movement	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR
Lane Configurations					↕			↕		↕	↕	↕
Traffic Vol, veh/h	0	0	0	13	0	25	0	924	11	7	493	9
Future Vol, veh/h	0	0	0	13	0	25	0	924	11	7	493	9
Conflicting Peds, #/hr	0	0	0	0	0	0	3	0	6	6	0	3
Sign Control	Stop	Stop	Stop	Stop	Stop	Stop	Free	Free	Free	Free	Free	Free
RT Channelized	-	-	None	-	-	None	-	-	None	-	-	Yield
Storage Length	-	-	-	-	-	-	-	-	-	30	-	100
Veh in Median Storage, #	-	0	-	-	0	-	-	0	-	-	0	-
Grade, %	-	0	-	-	5	-	-	0	-	-	0	-
Peak Hour Factor	90	90	90	90	90	90	90	90	90	90	90	90
Heavy Vehicles, %	3	3	3	3	3	3	3	3	3	3	3	3
Mvmt Flow	0	0	0	14	0	28	0	1027	12	8	548	10

Major/Minor	Minor1	Major1	Major2
Conflicting Flow All	1603	1606	1039
Stage 1	1039	1039	-
Stage 2	564	567	-
Critical Hdwy	7.43	7.53	6.73
Critical Hdwy Stg 1	6.43	6.53	-
Critical Hdwy Stg 2	6.43	6.53	-
Follow-up Hdwy	3.527	4.027	3.327
Pot Cap-1 Maneuver	74	67	241
Stage 1	254	230	-
Stage 2	485	432	-
Platoon blocked, %			
Mov Cap-1 Maneuver	73	0	240
Mov Cap-2 Maneuver	73	0	-
Stage 1	253	0	-
Stage 2	479	0	-

Approach	WB	NB	SB
HCM Control Delay, s	43.4	0	0.1
HCM LOS	E		

Minor Lane/Major Mvmt	NBT	NBRWBLn1	SBL	SBT	SBR
Capacity (veh/h)	-	-	135	659	-
HCM Lane V/C Ratio	-	-	0.313	0.012	-
HCM Control Delay (s)	-	-	43.4	10.5	-
HCM Lane LOS	-	-	E	B	-
HCM 95th %tile Q(veh)	-	-	1.2	0	-

Intersection	
Intersection Delay, s/veh	48.2
Intersection LOS	E

Movement	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR
Lane Configurations		↕			↕			↕			↕	↕
Traffic Vol, veh/h	406	19	12	12	40	111	9	245	7	43	82	310
Future Vol, veh/h	406	19	12	12	40	111	9	245	7	43	82	310
Peak Hour Factor	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84
Heavy Vehicles, %	3	3	3	3	3	3	2	2	2	6	6	6
Mvmt Flow	483	23	14	14	48	132	11	292	8	51	98	369
Number of Lanes	0	1	0	0	1	0	0	1	0	0	1	1

Approach	EB	WB	NB	SB
Opposing Approach	WB	EB	SB	NB
Opposing Lanes	1	1	2	1
Conflicting Approach Left	SB	NB	EB	WB
Conflicting Lanes Left	2	1	1	1
Conflicting Approach Right	NB	SB	WB	EB
Conflicting Lanes Right	1	2	1	1
HCM Control Delay	94.1	17.5	27.4	26.2
HCM LOS	F	C	D	D

Lane	NBLn1	EBLn1	WBLn1	SBLn1	SBLn2
Vol Left, %	3%	93%	7%	34%	0%
Vol Thru, %	94%	4%	25%	66%	0%
Vol Right, %	3%	3%	68%	0%	100%
Sign Control	Stop	Stop	Stop	Stop	Stop
Traffic Vol by Lane	261	437	163	125	310
LT Vol	9	406	12	43	0
Through Vol	245	19	40	82	0
RT Vol	7	12	111	0	310
Lane Flow Rate	311	520	194	149	369
Geometry Grp	5	2	2	7	7
Degree of Util (X)	0.682	1.087	0.43	0.34	0.754
Departure Headway (Hd)	8.333	7.521	8.354	8.631	7.727
Convergence, Y/N	Yes	Yes	Yes	Yes	Yes
Cap	438	484	435	420	472
Service Time	6.333	5.586	6.354	6.331	5.427
HCM Lane V/C Ratio	0.71	1.074	0.446	0.355	0.782
HCM Control Delay	27.4	94.1	17.5	15.7	30.5
HCM Lane LOS	D	F	C	C	D
HCM 95th-tile Q	5	16.7	2.1	1.5	6.4

Intersection												
Int Delay, s/veh	5.2											
Movement	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR
Lane Configurations		↕			↕		↕	↕		↕	↕	
Traffic Vol, veh/h	13	5	5	33	2	43	2	522	17	60	768	12
Future Vol, veh/h	13	5	5	33	2	43	2	522	17	60	768	12
Conflicting Peds, #/hr	0	0	0	0	0	0	3	0	5	5	0	3
Sign Control	Stop	Stop	Stop	Stop	Stop	Stop	Free	Free	Free	Free	Free	Free
RT Channelized	-	-	None	-	-	None	-	-	None	-	-	None
Storage Length	-	-	-	-	-	-	60	-	-	60	-	-
Veh in Median Storage, #	-	0	-	-	0	-	-	0	-	-	0	-
Grade, %	-	0	-	-	3	-	-	0	-	-	0	-
Peak Hour Factor	93	93	93	93	93	93	93	93	93	93	93	93
Heavy Vehicles, %	0	0	0	0	0	0	2	2	2	1	1	1
Mvmt Flow	14	5	5	35	2	46	2	561	18	65	826	13

Major/Minor	Minor2		Minor1		Major1		Major2					
Conflicting Flow All	1564	1554	836	1547	1551	575	842	0	0	584	0	0
Stage 1	966	966	-	579	579	-	-	-	-	-	-	-
Stage 2	598	588	-	968	972	-	-	-	-	-	-	-
Critical Hdwy	7.1	6.5	6.2	7.7	7.1	6.5	4.12	-	-	4.11	-	-
Critical Hdwy Stg 1	6.1	5.5	-	6.7	6.1	-	-	-	-	-	-	-
Critical Hdwy Stg 2	6.1	5.5	-	6.7	6.1	-	-	-	-	-	-	-
Follow-up Hdwy	3.5	4	3.3	3.5	4	3.3	2.218	-	-	2.209	-	-
Pot Cap-1 Maneuver	92	114	370	73	89	497	794	-	-	996	-	-
Stage 1	309	336	-	458	458	-	-	-	-	-	-	-
Stage 2	492	499	-	262	284	-	-	-	-	-	-	-
Platoon blocked, %								-	-	-	-	-
Mov Cap-1 Maneuver	77	106	369	65	82	495	792	-	-	992	-	-
Mov Cap-2 Maneuver	77	106	-	65	82	-	-	-	-	-	-	-
Stage 1	307	313	-	455	455	-	-	-	-	-	-	-
Stage 2	443	496	-	237	265	-	-	-	-	-	-	-

Approach	EB		WB		NB		SB	
HCM Control Delay, s	52.4		77.6		0		0.6	
HCM LOS	F		F					

Minor Lane/Major Mvmt	NBL	NBT	NBR	EBLn1WBLn1	SBL	SBT	SBR
Capacity (veh/h)	792	-	-	100	126	992	-
HCM Lane V/C Ratio	0.003	-	-	0.247	0.666	0.065	-
HCM Control Delay (s)	9.6	-	-	52.4	77.6	8.9	-
HCM Lane LOS	A	-	-	F	F	A	-
HCM 95th %tile Q(veh)	0	-	-	0.9	3.6	0.2	-



Intersection												
Int Delay, s/veh	0.9											
Movement	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR
Lane Configurations					↕			↕		↕	↕	↕
Traffic Vol, veh/h	0	0	0	17	0	11	0	530	10	19	786	1
Future Vol, veh/h	0	0	0	17	0	11	0	530	10	19	786	1
Conflicting Peds, #/hr	0	0	0	0	0	0	3	0	5	5	0	3
Sign Control	Stop	Stop	Stop	Stop	Stop	Stop	Free	Free	Free	Free	Free	Free
RT Channelized	-	-	None	-	-	None	-	-	None	-	-	Yield
Storage Length	-	-	-	-	-	-	-	-	-	30	-	100
Veh in Median Storage, #	-	0	-	-	0	-	-	0	-	-	0	-
Grade, %	-	0	-	-	5	-	-	0	-	-	0	-
Peak Hour Factor	93	93	93	93	93	93	93	93	93	93	93	93
Heavy Vehicles, %	1	1	1	1	1	1	1	1	1	1	1	1
Mvmt Flow	0	0	0	18	0	12	0	570	11	20	845	1

Major/Minor	Minor1		Major1			Major2			
Conflicting Flow All	1466	1469	581	-	0	0	586	0	0
Stage 1	581	581	-	-	-	-	-	-	-
Stage 2	885	888	-	-	-	-	-	-	-
Critical Hdwy	7.41	7.51	6.71	-	-	-	4.11	-	-
Critical Hdwy Stg 1	6.41	6.51	-	-	-	-	-	-	-
Critical Hdwy Stg 2	6.41	6.51	-	-	-	-	-	-	-
Follow-up Hdwy	3.509	4.009	3.309	-	-	-	2.209	-	-
Pot Cap-1 Maneuver	94	85	475	0	-	-	994	-	-
Stage 1	478	427	-	0	-	-	-	-	-
Stage 2	317	284	-	0	-	-	-	-	-
Platoon blocked, %									
Mov Cap-1 Maneuver	92	0	473	-	-	-	990	-	-
Mov Cap-2 Maneuver	92	0	-	-	-	-	-	-	-
Stage 1	476	0	-	-	-	-	-	-	-
Stage 2	311	0	-	-	-	-	-	-	-

Approach	WB	NB	SB
HCM Control Delay, s	39.2	0	0.2
HCM LOS	E		

Minor Lane/Major Mvmt	NBT	NBRWBLn1	SBL	SBT	SBR
Capacity (veh/h)	-	-	135	990	-
HCM Lane V/C Ratio	-	-	0.223	0.021	-
HCM Control Delay (s)	-	-	39.2	8.7	-
HCM Lane LOS	-	-	E	A	-
HCM 95th %tile Q(veh)	-	-	0.8	0.1	-

Intersection	
Intersection Delay, s/veh	18.1
Intersection LOS	C

Movement	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR
Lane Configurations		↕			↕			↕			↕	↕
Traffic Vol, veh/h	261	39	30	10	28	58	14	114	13	91	179	366
Future Vol, veh/h	261	39	30	10	28	58	14	114	13	91	179	366
Peak Hour Factor	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87
Heavy Vehicles, %	1	1	1	1	1	1	0	0	0	1	1	1
Mvmt Flow	300	45	34	11	32	67	16	131	15	105	206	421
Number of Lanes	0	1	0	0	1	0	0	1	0	0	1	1

Approach	EB	WB	NB	SB
Opposing Approach	WB	EB	SB	NB
Opposing Lanes	1	1	2	1
Conflicting Approach Left	SB	NB	EB	WB
Conflicting Lanes Left	2	1	1	1
Conflicting Approach Right	NB	SB	WB	EB
Conflicting Lanes Right	1	2	1	1
HCM Control Delay	21.4	11.4	12.6	18.7
HCM LOS	C	B	B	C

Lane	NBLn1	EBLn1	WBLn1	SBLn1	SBLn2
Vol Left, %	10%	79%	10%	34%	0%
Vol Thru, %	81%	12%	29%	66%	0%
Vol Right, %	9%	9%	60%	0%	100%
Sign Control	Stop	Stop	Stop	Stop	Stop
Traffic Vol by Lane	141	330	96	270	366
LT Vol	14	261	10	91	0
Through Vol	114	39	28	179	0
RT Vol	13	30	58	0	366
Lane Flow Rate	162	379	110	310	421
Geometry Grp	5	2	2	7	7
Degree of Util (X)	0.303	0.668	0.205	0.567	0.666
Departure Headway (Hd)	6.737	6.337	6.702	6.582	5.698
Convergence, Y/N	Yes	Yes	Yes	Yes	Yes
Cap	536	565	537	543	627
Service Time	4.744	4.427	4.713	4.379	3.494
HCM Lane V/C Ratio	0.302	0.671	0.205	0.571	0.671
HCM Control Delay	12.6	21.4	11.4	17.8	19.3
HCM Lane LOS	B	C	B	C	C
HCM 95th-tile Q	1.3	5	0.8	3.5	5



# BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

**AB 6038**  
**March 15, 2022**  
**Special Business**

## AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 6038: 2020 Financial, Federal and Accountability Audi Exit Conference	<input checked="" type="checkbox"/> Discussion Only <input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Receive report. No action necessary.	

<b>DEPARTMENT:</b>	Finance
<b>STAFF:</b>	LaJuan Tuttle, Deputy Finance Director Matt Mornick, Finance Director
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. 2020 Audit Engagement Letter 2. Exit Conference Documents provided by State Auditor’s Office (exhibit will be added on 3/15/2022)
<b>CITY COUNCIL PRIORITY:</b>	2. Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability.

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

## SUMMARY

Representatives of the Washington State Auditor’s Office (SAO) will lead an Exit Conference to report on the results of the Financial, Accountability, and Federal Single Audits for the fiscal year ending December 31, 2020 (see Exhibit 1 – Engagement Letter).

- The purpose of the Exit Conference is for the audit team to report audit results to management prior to publication of the audited financial statements.
- The SAO will provide the Exit Conference Documents (Exhibit 2) to the City on 3/15/22. The documents will be emailed to the City Council and the electronic packet will be updated as soon as they are received.
- After the Exit Conference, the SAO will publish the audit reports, audited financial statements, notes to the financial statement, and required supplementary information on the SAO website.

## BACKGROUND

The City of Mercer Island is audited on an annual basis. The SAO regularly performs two types of audits each year: A Financial Audit and an Accountability Audit, resulting in an audit report for both types. In years where

the City spends at least \$750,000 in Federal dollars, a Federal Single Audit is also performed. Additional information regarding the scope and limitations of each audit type can be found in the audit representation letter included as Exhibit 1.

A financial audit provides an independent opinion on a local government's financial statements and the results of its operations and cash flows. In other words, these audits determine whether the financial statements present a reliable, accurate picture of a government's finances.

An accountability audit evaluates whether a local government has adhered to applicable state laws, regulations, and its own policies and procedures. Auditors review records to ensure public funds are accounted for and controls are in place to protect public resources from misappropriation and misuse.

A Federal Single Audit evaluates whether a local government was in compliance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) in spending Federal awards.

## **RECOMMENDED ACTION**

Receive and review the Exit Conference Report from the Washington State Auditor's Office.



**Office of the Washington State Auditor  
Pat McCarthy**

September 23, 2021

City Council  
City of Mercer Island  
9611 SE 36<sup>th</sup> Street  
Mercer Island, WA 98040

We are pleased to confirm the audits to be performed by the Office of the Washington State Auditor, in accordance with the provisions of Chapter 43.09 RCW, for the City of Mercer Island. This letter confirms the nature and limitations of the audits, as well as responsibilities of the parties and other engagement terms.

**Office of the Washington State Auditor Responsibilities**

**Financial Statement Audit**

We will perform an audit of the basic financial statements of the City of Mercer Island as of and for the fiscal year ended December 31, 2020, prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Our audit will be conducted with the objective of our expressing an opinion on these financial statements.

We will perform our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. Since we do not review every transaction, our audit cannot be relied upon to identify every potential misstatement. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the standards identified above.

A financial statement audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers relevant internal controls in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we will express no such opinion.

Although our audit is not designed to provide an opinion on the effectiveness of internal control over financial reporting, we are required to report any identified significant deficiencies and material weaknesses in controls. We are also required to report instances of fraud and noncompliance with

provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the accuracy of financial statements.

A financial statement audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

All misstatements identified by the audit will be discussed with management. Material misstatements corrected by management and all uncorrected misstatements will be communicated at the exit conference, as required by professional auditing standards.

Our responsibility is to express in a written report an opinion on the financial statements based on the results of our audit. We cannot guarantee an unmodified opinion. We may modify or disclaim an opinion on the financial statements if we are unable to complete the audit or obtain sufficient and appropriate audit evidence supporting the financial statements. If our opinion is other than unmodified, we will fully discuss the reason with you prior to issuing our report. Further, in accordance with professional standards, we may add emphasis-of-matter or other-matter paragraphs to our report to describe information that, in our judgment, is relevant to understanding the financial statements or our audit.

We will also issue a written report (that does not include an opinion) on issues identified during the audit related to the City's internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.

The City prepares supplementary information that accompanies the financial statements, which is required by the Uniform Guidance (for the Schedule of Expenditures of Federal Awards). We agree to perform auditing procedures on this information, with the objective of expressing an opinion as to whether it is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

#### Federal Single Audit

We will also perform a federal single audit on compliance with, and report on internal control over compliance for, each major program for the fiscal year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material noncompliance may not be detected, even though the audit is properly planned and performed in accordance with these standards and the Uniform Guidance.

In planning and performing the compliance audit, we will consider the City's internal control over compliance in order to determine the appropriate auditing procedures necessary for opining on compliance with each major program, and for testing and reporting on internal control over compliance

in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we will express no such opinion. Although our audit is not designed to provide an opinion on the effectiveness of internal control over compliance, we are required to report any identified significant deficiencies and material weaknesses in controls.

We estimate the federal single audit will cover one federal grant program, which will be identified at the audit entrance conference. If additional grant programs are audited to satisfy the requirements of the Uniform Guidance, the audit budget discussed below will increase by approximately \$7,900 per additional major program.

Upon completion of our audit we will issue a written report containing our opinion on the City's compliance for each major program and a written report on internal control over compliance. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, issue a disclaimer of opinion, or add an emphasis-of-matter or other-matter paragraph(s) to the report.

#### Accountability Audit

We will perform an accountability audit of compliance with applicable state laws, regulations, and policies, and of controls over the safeguarding of public resources for the fiscal year ended December 31, 2020. The audit will be conducted in accordance with provisions of RCW 43.09.260 and the Office's audit policies, which include policies specific to these types of audits and general audit policies. Our general audit policies apply to all our engagements and incorporate the requirements of *Government Auditing Standards*, as applicable, on topics such as communications with auditees, independence, audit evidence and documentation, and reporting.

An accountability audit involves performing procedures to obtain audit evidence about compliance and controls in areas selected for audit. In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. The areas examined and procedures selected depend on the auditor's judgment, including the assessment of the risks of fraud, loss, abuse, or noncompliance.

Upon completion of our audit, we will issue a written report describing the overall results and conclusions for the areas we examined.

#### Data Security

Our Office is committed to appropriately safeguarding the information we obtain during the course of the audit. We have entered into a data sharing agreement with the City to ensure compliance with legal requirements and Executive Directives (Executive Order 16-01, RCW 42.56 and OCIO Standard 141.10) in the handling of information considered confidential.

#### Responsibilities specific to this engagement

Additionally, we will:

- Conduct weekly progress meetings to discuss audit plans for future weeks. At those meetings, we will provide information on the departments we will work in and the audit objectives we will be addressing.
- Provide the audit liaison with advance notification if we identify issues that require further audit work and increased audit costs.
- Conduct a formal exit conference with the City to discuss the results of the audit on or before December 31, 2021.

- Safeguard financial records and documentation from loss, damage, and inadvertent release to unauthorized persons.
- Provide written correspondence during the course of the audit through email to the audit liaison, LaJuan Tuttle, Deputy Finance Director.
- Provide advance notice when a scheduled meeting is to be cancelled.
- Allow seven days to provide written response to any findings.

### Reporting levels for audit issues

Issues identified through the auditing process will be communicated as follows. Failure to appropriately address audit issues may result in escalated reporting levels.

- **Findings** formally address issues in an audit report. Findings report significant results of the audit, such as significant deficiencies and material weaknesses in internal controls; misappropriation; and material abuse or non-compliance with laws, regulations, contracts or grant agreements. You will be given the opportunity to respond to a finding, and this response, or a synopsis of it, will be published in the audit report. Professional auditing standards define the issues we must report as findings with regard to non-compliance with a financial statement effect and internal controls over financial reporting. The Uniform Guidance defines the issues we must report as findings with regard to non-compliance and internal controls over compliance with federal grants.
- **Management letters** communicate control deficiencies, non-compliance, misappropriation, abuse, or errors with a less-than-material effect on audit objectives. Management letters are referenced, but not included, in the audit report.
- **Exit items** address control deficiencies, non-compliance, abuse, or errors that have an insignificant effect on audit objectives. These issues are informally communicated to management and are not referenced in the audit report.

### Client's Responsibilities

Management is responsible for the accuracy and completeness of information provided to the auditor and will provide the Office of the Washington State Auditor with:

- Unrestricted access to people with whom the auditor wishes to speak.
- All information that is requested or relevant to auditor requests.
- Notification when any documents, records, files, or data contain information that is covered by confidentiality or privacy laws, such as HIPAA.
- Adequate workspace and conditions, including interacting with auditors professionally and respectfully and promptly communicating about any issues and concerns.

Moreover, our audit does not relieve management or the governing body of their responsibilities. Management's responsibilities, with oversight from the governing body, include:

- Selecting and applying appropriate administrative and accounting policies.
- Establishing and maintaining effective internal controls over financial reporting, compliance, and safeguarding of public resources.
- Designing and following effective controls to prevent and detect fraud, theft, and loss.
- Promptly reporting to us knowledge of any fraud, allegations of fraud or suspected fraud involving management, employees or others, in accordance with RCW 43.09.185.
- Ensuring compliance with laws, regulations and provisions of contracts and grant agreements.
- Preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).
- Preparing the following supplementary information and providing us with certain written representations concerning the supplementary information:



- Schedule of Expenditures of Federal Awards (including notes and noncash assistance received) that includes all expenditures from federal agencies and pass-through agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance in accordance with Uniform Guidance 2 CFR § 200.510 requirements
- Including the auditor’s report on the supplementary information in any document that both contains the supplementary information and indicates that the auditor reported on the supplementary information.
- Either presenting the supplementary information with the audited financial statements or, if the supplementary information will not be presented, making the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information and auditor’s report thereon are issued.
- Identifying all federal awards received and government programs.
- Understanding and complying with the provisions of laws, regulations, contracts, and grant agreements, including applicable program compliance requirements.
- Internal control over compliance, including establishing and maintaining effective controls that provide reasonable assurance that the City administers government programs in compliance with the compliance requirements.
- Evaluating and monitoring the City’s compliance with the compliance requirements.
- Informing us of the City’s relationships with significant vendors who are responsible for program compliance
- Submitting the reporting package and data collection form through the Federal Audit Clearinghouse.

*Responsibilities at the conclusion of the audit*

At the conclusion of our audit, the City will provide us with a letter to confirm in writing certain express and implied representations made during the course of the audit. This letter includes representations regarding legal matters. A separate letter may be needed from the City’s legal counsel.

Management and the governing body are also responsible for following up and taking corrective action on all audit findings, including, when applicable, preparing a summary schedule of prior audit findings and a corrective action plan on the City’s own letterhead.

*Responsibilities specific to this engagement*

Additionally, the City will:

- Provide our Office with documentation of the financial statement review and approval before they were submitted for audit.
- Obtain a clear understanding of accounting standards applied in your financial statements and fully understand any adjusting journal entries recommended by the Office of the Washington State Auditor before approving the entries.
- Revise financial statements and schedules only if agreed to in writing by our Office.
- Provide auditors adequate work space with access to secure Internet and electrical outlets for any planned site visits.
- Interact with auditors professionally and respectfully and promptly communicate issues and concerns.

**Estimated Audit Costs and Timeline**

We estimate the cost of the audit work to be \$90,300, plus estimated charges for travel time of \$430, travel costs, and other expenses, if any. Invoices for these services will be prepared and presented each month as our audit work progresses.

We anticipate our reports, which will be published on our website [www.sao.wa.gov](http://www.sao.wa.gov) to be available to you and the public as outlined below. These estimates are based on timely access to financial information and no significant audit reporting issues. The estimated cost and completion date may change if unforeseen issues arise or if significant audit issues are identified necessitating additional audit work. We will promptly notify you if this is the case.

<b>Report</b>	<b>Date*</b>
Independent Auditor’s Report on Financial Statements	December 31, 2021
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	December 31, 2021
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with Uniform Guidance	December 31, 2021
Independent Auditor’s Report on Accountability	December 31, 2021

*\*Report Issuance Dates Are Estimates Only*

The audit documentation for this engagement, which may contain confidential or sensitive information, is the property of SAO and constitutes a public record under Chapter 42.56 RCW. Subject to applicable laws and regulations, appropriate individuals, as well as audit documentation, will be made available upon request and in a timely manner to appropriate auditors and reviewers, City’s management and governing body, and federal agencies, for purposes of a public records request, a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities.

The audit documentation for this engagement will be retained for a minimum of five years after the report release (publish) date in accordance with the public records retention schedule established by the Washington Secretary of State.

**Expected Communications**

During the course of the audit, we will communicate with the City’s selected audit liaison, LaJuan Tuttle, Deputy Finance Director, on the audit status, any significant changes in our planned audit scope or schedule and preliminary results or recommendations as they are developed. The audit liaison is responsible for regularly updating management and the governing body on these matters. We may also provide direct communication of these matters to management and the governing body as needed or at the City’s request.

Please contact us if, during the audit, any events or concerns come to your attention of which we should be aware. We will expect the audit liaison to keep us informed of any such matters.

**Audit Dispute Process**

Please contact the Audit Manager or Assistant Director to discuss any unresolved disagreements or concerns you have during the performance of our audit. At the conclusion of the audit, we will

summarize the results at the exit conference. We will also discuss any significant difficulties or disagreements encountered during the audit and their resolution.

By signing and returning this letter, you acknowledge that the foregoing is in accordance with your understanding. Please contact us with any questions.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Sincerely,



Wendy Choy, Audit Manager      9/23/21  
Office of the Washington State Auditor

**City Response:**

**This letter correctly sets forth our understanding.**



Jessi Bon  
City Manager

9/27/2021  
*Date*

LaJuan Tuttle  
LaJuan Tuttle  
Deputy Finance Director

9/30/2021  
*Date*



## Office of the Washington State Auditor

### Pat McCarthy

### **Exit Conference: City of Mercer Island**

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

#### **Audit Reports**

We will publish the following reports:

- Accountability audit for January 1, 2020 through December 31, 2020 - see draft report.
- Financial statement and federal grant compliance audit for January 1, 2020 through December 31, 2020 – see draft report.

#### **Audit Highlights**

- We would like to thank LaJuan Tuttle, Deputy Finance Director, as well as other City staff for their cooperation and timely responses to our requests throughout the audit, especially since the audit was performed in a remote environment.
- We appreciate the City took great care to ensure expenditures of Coronavirus Relief Fund program dollars were properly supported and documented, as well as ensuring the City is in compliance with requirements for this new federal program.
- We thank the City for its commitment to strengthen the relationship with the Office of the Washington State Auditor.

#### **Recommendations not included in the Audit Reports**

##### **Exit Items**

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

#### **Communications required by audit standards**

In relation to our financial statement audit report, we would like to bring to your attention:

- Uncorrected misstatements in the audited financial statements are summarized on the attached schedule. We agree with management's representation that these misstatements are immaterial to the fair presentation of the financial statements.

- There were no material misstatements in the financial statements corrected by management during the audit.

## **Finalizing Your Audit**

### **Report Publication**

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/SAOPortal>.

### **Management Representation Letter**

We have included a copy of representations requested of received from management.

### **Audit Cost**

At the entrance conference, we estimated the cost of the audit to be \$90,700 and actual audit costs will approximate that amount.

### **Your Next Scheduled Audit**

Your next audit is scheduled to be conducted in summer 2022 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement
- Federal Programs

The estimated cost for the next audit based on current rates is \$90,700 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

If expenditures of federal awards are \$750,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal single audit requirements. Federal awards can include grants, loans, and non-cash assistance such as equipment and supplies.

## **Working Together to Improve Government**

### **Audit Survey**

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

### **Local Government Support Team**

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

### **The Center for Government Innovation**

The Center for Government Innovation of the Office of the Washington State Auditor is designed to offer services specifically to help you help the residents you serve at no additional cost to your government. What does this

mean? We provide expert advice in areas like Lean, peer-to-peer networking and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at [Center@sao.wa.gov](mailto:Center@sao.wa.gov).

### Questions?

Please contact us with any questions about information in this document or related audit reports.

**Kelly Collins, CPA, Director of Local Audit, (564) 999-0807, [Kelly.Collins@sao.wa.gov](mailto:Kelly.Collins@sao.wa.gov)**

**Mark Rapozo, CPA, Assistant Director of Local Audit, (564) 999-0794 [Mark.Rapozo@sao.wa.gov](mailto:Mark.Rapozo@sao.wa.gov)**

**Wendy Choy, Program Manager, (425) 502-7067, [Wendy.Choy@sao.wa.gov](mailto:Wendy.Choy@sao.wa.gov)**

**Haji Adams, Assistant Audit Manager, (425) 900-5277, [Haji.Adams@sao.wa.gov](mailto:Haji.Adams@sao.wa.gov)**

**Jessie Fleming, CFE, Audit Lead, (425) 900-5616, [Jessica.Fleming@sao.wa.gov](mailto:Jessica.Fleming@sao.wa.gov)**



Office of the Washington State Auditor  
Pat McCarthy

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# Accountability Audit Report

# City of Mercer Island

For the period January 1, 2020 through December 31, 2020

*Published (Inserted by OS)*

Report No. 1030130



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**Office of the Washington State Auditor  
Pat McCarthy**

Issue Date – (Inserted by OS)

Council  
City of Mercer Island  
Mercer Island, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for City operations. This information is valuable to management, the governing body and public stakeholders when assessing the government’s stewardship of public resources.

Attached is our independent audit report on the City’s compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

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## AUDIT RESULTS

### Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, City operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

### About the audit

This report contains the results of our independent accountability audit of the City of Mercer Island from January 1, 2020 through December 31, 2020.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the City's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended December 31, 2020, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Self-insurance for paid family and medical leave
- Permit cost recoveries – review of the permit cost recovery model
- Small business grants – compliance with COVID-19 relief program
- Payroll – police and fire overtime
- Third party receipting – compliance with legal and contractual requirements
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

## RELATED REPORTS

### Financial

Our opinion on the City's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the City's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

### Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the City's major federal program, which is listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE CITY

The City of Mercer Island was incorporated in 1960. The City operates under the council-manager form of government and has seven council members. The Council elects one of its members to serve a two-year term as Mayor. The Council appoints a City Manager to oversee the City's daily operations as well as its 178 employees.

The City serves approximately 24,000 residents. The City provides a full range of services to the public including general government, public safety, municipal court, street and trails maintenance, utilities maintenance, parks and recreation activities, public improvements, planning and zoning, and youth and family services.

The City is funded by a variety of revenue sources, including property taxes, sales taxes, utility taxes, business taxes, charges for services, and grants. In fiscal year 2020, the City's general fund operating budget was approximately \$28 million.

### Contact information related to this report

Address:	City of Mercer Island 9611 S.E. 36th Street Mercer Island, WA 98040
Contact:	LaJuan Tuttle, Deputy Finance Director
Telephone:	206-275-7785
Website:	<a href="http://www.mercerisland.gov">www.mercerisland.gov</a>

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the City of Mercer Island at <http://portal.sao.wa.gov/ReportSearch>.

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## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

### Stay connected at [sao.wa.gov](http://sao.wa.gov)

- [Find your audit team](#)
- [Request public records](#)
- Search BARS manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

### Other ways to stay in touch

- Main telephone:  
(564) 999-0950
- Toll-free Citizen Hotline:  
(866) 902-3900
- Email:  
[webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov)



Office of the Washington State Auditor  
Pat McCarthy

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# Financial Statements and Federal Single Audit Report

## City of Mercer Island

For the period January 1, 2020 through December 31, 2020

*Published (Inserted by OS)*

Report No. 1030087



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**Office of the Washington State Auditor  
Pat McCarthy**

Issue Date – (Inserted by OS)

Council  
City of Mercer Island  
Mercer Island, Washington

**Report on Financial Statements and Federal Single Audit**

Please find attached our report on the City of Mercer Island’s financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the City’s financial condition.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### City of Mercer Island January 1, 2020 through December 31, 2020

#### SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the City of Mercer Island are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### Financial Statements

We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

##### Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the City.

#### Federal Awards

##### Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the City’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

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### Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
21.019	COVID-19 – Coronavirus Relief Fund

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The City did not qualify as a low-risk auditee under the Uniform Guidance.

### SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

## INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

### City of Mercer Island January 1, 2020 through December 31, 2020

Council  
City of Mercer Island  
Mercer Island, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mercer Island, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 15, 2022.

As discussed in Note 23 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown. Management's plans in response to this matter are also described in Note 23.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of

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deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

March 15, 2022

## INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

### City of Mercer Island January 1, 2020 through December 31, 2020

Council  
City of Mercer Island  
Mercer Island, Washington

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of the City of Mercer Island, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance.

### Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor  
Olympia, WA  
March 15, 2022

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

#### City of Mercer Island January 1, 2020 through December 31, 2020

Council  
City of Mercer Island  
Mercer Island, Washington

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mercer Island, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed on page 14.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

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an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mercer Island, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Matters of Emphasis

As discussed in Note 23 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown. Management's plans in response to this matter are also described in Note 23. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on page 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This schedule is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

March 15, 2022

## FINANCIAL SECTION

### City of Mercer Island January 1, 2020 through December 31, 2020

#### REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2020

#### BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2020

Statement of Activities – 2020

Balance Sheet – Governmental Funds – 2020

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – 2020

Statement of Net Position – Proprietary Funds – 2020

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds – 2020

Statement of Cash Flows – Proprietary Funds – 2020

Statement of Fiduciary Net Position – Fiduciary Funds – 2020

Statement of Changes in Fiduciary Net Position – Fiduciary Funds – 2020

Notes to the Financial Statements – 2020

#### REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund – 2020

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Street Fund – 2020

Schedule of Proportionate Share of the Net Pension Liability – PERS 1, PERS 2/3, PSERS, LEOFF 1, LEOFF 2 – 2020

Schedule of Employer Contributions – PERS 1, PERS 2/3, PSERS, LEOFF 1, LEOFF 2, – 2020

GASB 67 Schedule of Changes in Net Pension Liability and Related Ratios – Firefighters Pension Fund – 2020

GASB 67 Money-Weighted Rate of Return – Firefighters Pension Fund – 2020

GASB 75 Schedule of Changes in Total OPEB Liability and Related Ratios – LEOFF 1 Retiree Medical and Long-Term Care Benefits – 2020

Notes to Required Supplementary Information – 2020

## SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2020

Notes to Schedule of Expenditures of Federal Awards – 2020

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**City of Mercer Island  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020**

The discussion and analysis of the City of Mercer Island's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the City's financial performance. For comparison purposes, the 2019 fiscal year data is also included in the discussion.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2020 are as follows:

- The assets and deferred outflow of resources of the City of Mercer Island exceeded its liabilities and deferred inflows of resources at the close of the 2020 fiscal year by \$248.0 million (*net position*). Of this amount, nearly \$38.2 million represents unrestricted net position, which may be used to meet the City's business type and governmental activities ongoing obligations.
- The City of Mercer Island's total net position increased \$11.6 million in 2020 compared to the prior fiscal year. The overall increase in net position is primarily the result of the accumulation of funds for future utility infrastructure improvement projects and the underspending of planned capital outlays in the business type funds.
- At the close of 2020, the City's governmental funds reported combined fund balances of \$27.07 million, an increase of \$5.45 million relative to 2019. Approximately 42% of this amount (\$11.5 million) is available for spending at the City's discretion (*unassigned fund balance*). All of the unassigned fund balance is reported in the General Fund, and \$3.85 million of this amount has been designated by the City Council as a contingency reserve.
- At the end of 2020, unrestricted fund balance (the total of *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$14.3 million, or approximately 51% of total General Fund expenditures.
- The City of Mercer Island's total outstanding long-term debt at the end of 2020 was \$10.69 million, which represents a decrease of \$1.97 million from the end of 2019.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis provided here are intended to serve as an introduction to the City of Mercer Island's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Mercer Island's finances in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time,

*City of Mercer Island, Washington*

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increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Mercer Island is improving or deteriorating.

The *statement of activities* presents information showing how the City of Mercer Island's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, streets and trails, youth and family services, development services, and culture and recreation. The business-type activities of the City include a water utility, a sewer utility, and a storm water utility.

The government-wide financial statements can be found in the basic financial statements section of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Mercer Island, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Mercer Island currently maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Fund and the Capital Improvement Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation.

The basic governmental fund financial statements can be found in the basic financial statement section of this report.

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**Proprietary Funds.** The City of Mercer Island maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water utility, sewer utility, and storm water utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the maintenance and replacement of fleet vehicles and the maintenance and replacement of technology assets. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all three utilities, which are considered to be major funds of the City. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found in the basic financial statement section of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements, because the resources of those funds are not available to support the City of Mercer Island's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Mercer Island maintains two different types of fiduciary funds. The *Pension Trust Fund* is used to report resources held in trust for retirees covered by the pre-LEOFF 1 Firemen's Pension Fund. The *Custodial Fund* reports resources held by the City in a custodial capacity for other governments.

The fiduciary fund financial statements can be found in the basic financial statement section of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report presents *required supplementary information* concerning the City of Mercer Island's obligation to provide pension and OPEB benefits to its employees.

City of Mercer Island, Washington

**GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS**

The net position of the City as of December 31, 2020 and December 31, 2019 is summarized and analyzed below. As noted earlier, net position over time may serve as a useful indicator of a government's financial position.

**City of Mercer Island's Net Position**

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current and other assets	\$ 33,353,168	\$ 28,741,667	\$ 31,299,020	\$ 26,823,076	\$ 64,652,188	\$ 55,564,743
Net Pension Asset	5,784,441	6,400,897	-	-	5,784,441	6,400,897
Land	108,789,823	108,789,823	203,992	203,992	108,993,815	108,993,815
Capital assets net of accumulated depreciation	50,724,957	52,238,647	49,372,460	49,283,713	100,097,417	101,522,360
Construction in progress	342,650	181,737	792,699	606,298	1,135,349	788,035
Total assets	\$ 198,995,040	\$ 196,352,771	\$ 81,668,171	\$ 76,917,078	\$ 280,663,210	\$ 273,269,849
<b>Deferred Outflow of Resources</b>						
Deferred amount on refunding	\$ 19,420	29,130	252,582	280,647	\$ 272,002	309,777
Asset Retirement Obligations	\$ -	-	88,714	-	\$ 88,714	-
Pensions	2,489,195	2,382,202	334,875	299,157	2,824,070	2,681,359
Total deferred outflow of resources	\$ 2,508,615	\$ 2,411,332	\$ 676,171	\$ 579,804	\$ 3,184,786	\$ 2,991,136
<b>Liabilities</b>						
Current Liabilities	\$ 3,552,612	\$ 2,952,307	\$ 2,063,768	\$ 1,737,451	\$ 5,616,380	4,689,758
Non-Current Liabilities	18,504,373	20,439,277	8,837,344	9,641,586	27,341,717	30,080,863
Total liabilities	\$ 22,056,985	\$ 23,391,584	\$ 10,901,112	\$ 11,379,037	\$ 32,958,097	\$ 34,770,621
<b>Deferred Inflow of Resources</b>						
Unavailable revenue	\$ 210,156	189,597	-	-	\$ 210,156	189,597
Pensions	2,283,434	4,315,231	378,817	574,214	2,662,251	4,889,445
Total deferred inflow of resources	\$ 2,493,590	\$ 4,504,828	\$ 378,817	\$ 574,214	\$ 2,872,407	\$ 5,079,042
<b>Net Position</b>						
Net investment in capital assets	\$ 157,749,924	\$ 158,102,183	\$ 41,803,649	\$ 40,563,753	\$ 199,553,573	198,665,936
Restricted	10,305,424	7,753,681	-	-	10,305,424	7,753,681
Unrestricted	8,897,732	5,011,826	29,260,764	24,979,878	38,158,496	29,991,704
Total net position	\$ 176,953,080	\$ 170,867,690	\$ 71,064,413	\$ 65,543,631	\$ 248,017,493	\$ 236,411,321

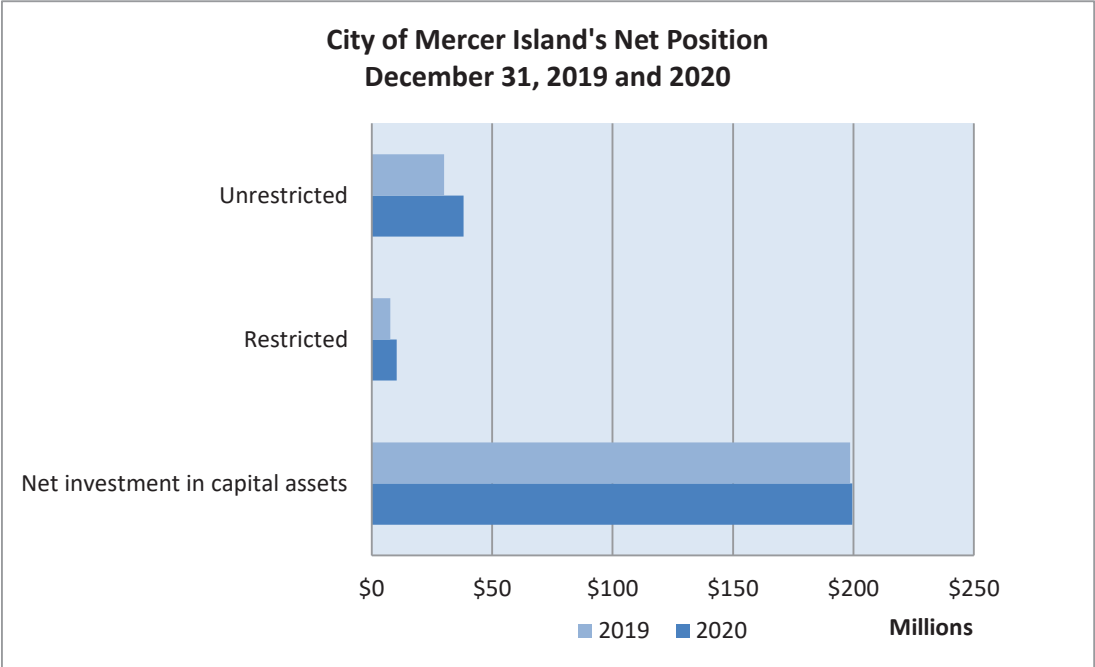
For the City of Mercer Island, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$248.0 million at the close of 2020. The largest component of the City's total net position at \$199.55 million is net investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, and infrastructure), which subtracts out any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to pay these liabilities.

Approximately 4.2%, or \$10.3 million, of the City's total net position represents resources that are subject to external restrictions on how they may be used. The increase in restricted net position in 2020, as compared to 2019, is primarily the result of an increase in real estate excise tax revenues, which are restricted for capital projects related to streets, pedestrian/bicycle facilities, parks, and public



buildings. The remaining 15.4%, or \$38.2 million, of the City’s total net position is unrestricted and may be used to meet the government’s ongoing obligations. Though it should be noted that \$29.3 million, or 76.7% of unrestricted net position is in the business type activities and can only be used to meet the ongoing obligations of the City’s water, sewer and storm water utilities.

At the end of the 2020 fiscal year, the City of Mercer Island had positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation was true for the prior fiscal year.



A more detailed look at the revenues and expenses underlying the changes in the City’s net position is presented on the following page. Compared to the prior year, the City’s total net position increased \$11.6 million in 2020. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

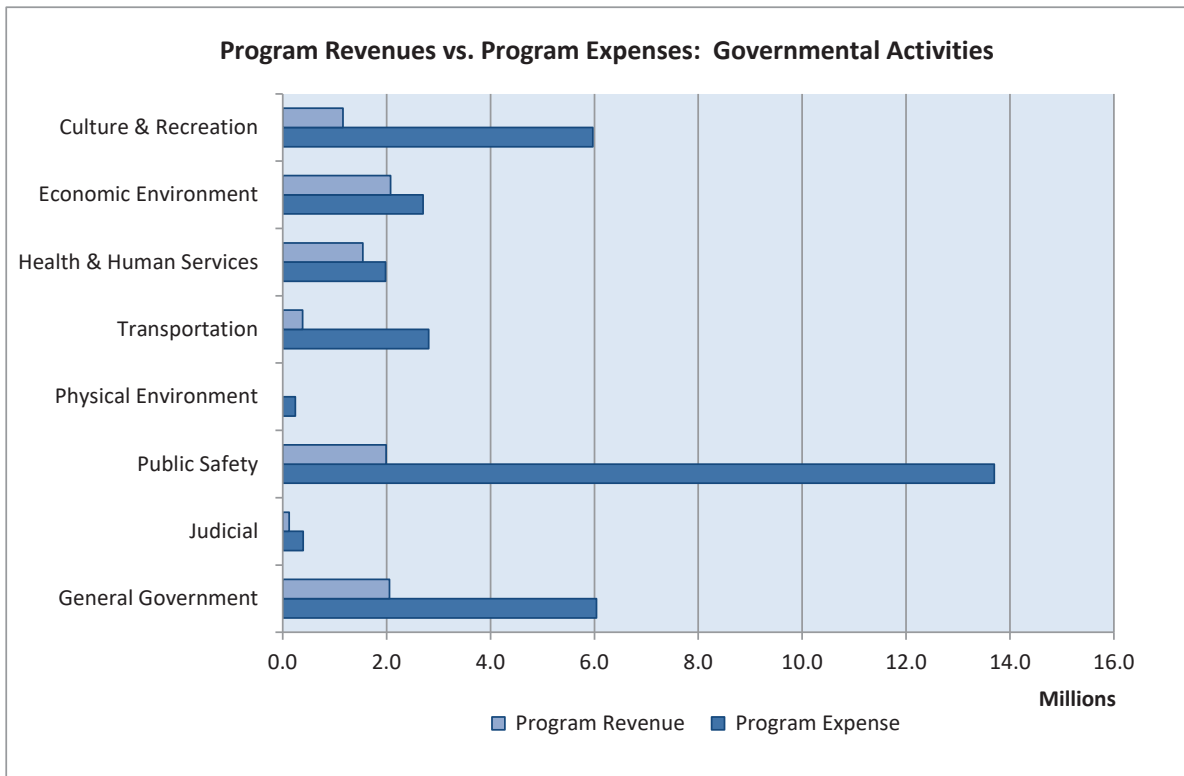
**Governmental Activities.** At the end of 2020, the City’s total net position for governmental activities was \$176.95 million. Governmental activities increased \$6.08 million in 2020 primarily due to better than expected sales tax and real estate excise taxes paired with a decrease in spending due to the global pandemic.

Total expenses in 2020 decreased \$5.6 million, or 14.25%, compared to 2019. The primary driver of this decrease was the impacts of the global COVID 19 pandemic. Significant portions of the City’s operations declined as management focused on the delivery of essential services.

## City of Mercer Island, Washington

## City of Mercer Island's Changes in Net Position

	Governmental Activities		Business type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Charges for services	\$ 6,501,899	\$ 10,407,468	\$ 21,944,481	\$ 20,513,576	\$ 28,446,380	\$ 30,921,044
Operating grants and contributions	2,432,868	1,162,915		106,845	2,432,868	1,269,760
Capital grants and contributions	389,747	186,873		-	389,747	186,873
Property tax	14,068,187	13,725,516			14,068,187	13,725,516
Sales tax	5,393,609	5,257,123			5,393,609	5,257,123
B&O tax	4,929,377	4,864,885			4,929,377	4,864,885
Real estate excise tax	4,355,270	3,558,523			4,355,270	3,558,523
Other taxes	1,428,687	1,265,504			1,428,687	1,265,504
Investment earnings	184,411	632,758	200,769	619,465	385,180	1,252,223
<b>Total revenues</b>	<b>\$ 39,684,055</b>	<b>\$ 41,061,565</b>	<b>\$ 22,145,250</b>	<b>\$ 21,239,886</b>	<b>\$ 61,829,305</b>	<b>\$ 62,301,451</b>
<b>Expenses:</b>						
General government	\$ 6,042,766	\$ 4,857,520			\$ 6,042,766	\$ 4,857,520
Judicial	391,452	399,479			391,452	399,479
Public safety	13,699,900	16,851,248			13,699,900	16,851,248
Physical environment	244,340	136,441			244,340	136,441
Transportation	2,809,909	3,761,140			2,809,909	3,761,140
Health & human services	1,978,360	2,786,372			1,978,360	2,786,372
Economic environment	2,700,322	3,008,051			2,700,322	3,008,051
Culture and recreation	5,968,272	7,643,554			5,968,272	7,643,554
Interest on long term debt	44,341	66,603	210,037	231,976	254,378	298,579
Water			6,316,291	5,810,521	6,316,291	5,810,521
Sewer			7,966,024	8,364,513	7,966,024	8,364,513
Stormwater			1,875,708	1,669,650	1,875,708	1,669,650
<b>Total expenses</b>	<b>\$ 33,879,662</b>	<b>\$ 39,510,408</b>	<b>\$ 16,368,060</b>	<b>\$ 16,076,660</b>	<b>\$ 50,247,722</b>	<b>\$ 55,587,068</b>
<b>Increase (decrease) in net position before transfers, special and extraordinary items</b>	<b>\$ 5,804,393</b>	<b>\$ 1,551,157</b>	<b>\$ 5,777,190</b>	<b>\$ 5,163,226</b>	<b>\$ 11,581,583</b>	<b>\$ 6,714,383</b>
Disposition of capital assets	24,590	22,692	-	-	24,590	22,692
Transfers	256,407	387,440	(256,407)	(387,440)	-	-
Increase (decrease) in net position	6,085,390	1,961,290	5,520,783	4,775,787	11,606,173	6,737,075
Net position beginning of year	170,867,690	168,906,400	65,543,631	60,767,845	236,411,321	229,674,245
Prior period adjustment	-	-	-	-	-	-
<b>Net position, end of year</b>	<b>\$ 176,953,080</b>	<b>\$ 170,867,690</b>	<b>\$ 71,064,413</b>	<b>\$ 65,543,631</b>	<b>\$ 248,017,494</b>	<b>\$ 236,411,320</b>



**Business-type Activities.** At the end of 2020, the City’s total net position for business-type activities, encompassing the water, sewer, and storm water utilities, was \$71.06 million. The total net position for business-type activities increased \$5.52 million in 2020 primarily due to increased rate revenues and lower than expected capital reinvestment expenditures.

Comparing 2020 to 2019, total operating revenues, which excludes investment earnings and capital grants and contributions, increased \$1.4 million, or 6.5%, which is primarily attributable to charges for services. Total expenses in 2020 increased \$0.29 million compared to 2019.

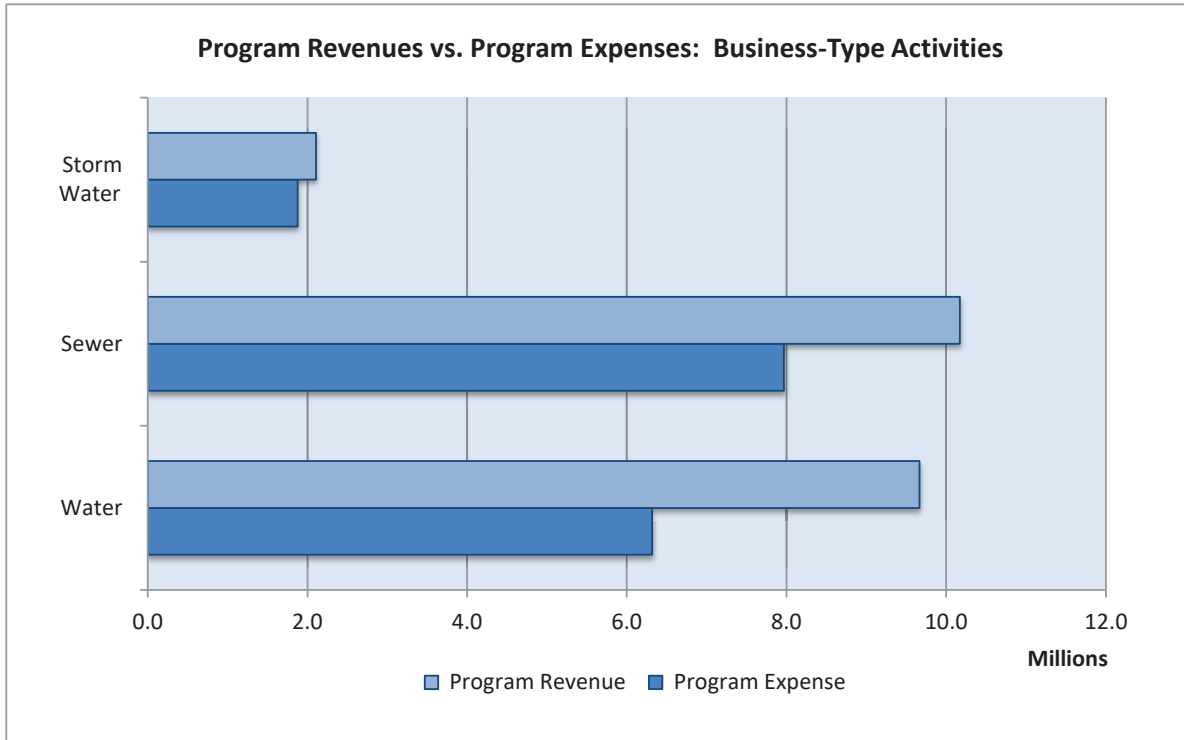
Additional information about each City utility is provided below:

- **Water Utility** revenue is derived from three sources: 1) bi-monthly service charges, 2) system connection fees, and 3) miscellaneous work orders. The majority of the revenue comes from bi-monthly service charges. The City uses consumption based rates for water. Ratepayers pay a base fee plus a consumption charge according to the number of cubic feet of water used. A ramped rate for usage was built into the rate structure to encourage conservation.
- **Sewer Utility** revenue is derived from two sources: 1) bi-monthly service charges, and 2) system connection fees. The majority of the revenue comes from bi-monthly service charges. Residential sewer rates are charged on a water consumption basis. The utility uses the four most recent winter months to determine the average water consumption for each residence. Commercial accounts are charged based on the actual consumption of water. The bi-monthly service charges have two components: 1) a City charge for sewer maintenance and operations, including transmission of the sewage to the treatment plant; and 2) a King County “pass through” charge for treatment costs. The City collects the latter charge from all sewer

City of Mercer Island, Washington

customers, remitting the full amount to King County, which provides sewer treatment services to the City.

- **Storm Water Utility** revenue is derived from bi-monthly service charges, which are based on the amount of impervious surface on the customer’s property. A sample of residences was taken when the utility was formed, and the average impervious surface for a residence was determined to be 3,419 sq ft. That is considered one (1) equivalent residential unit (ERU). All residences are charged one ERU on a bi-monthly basis. All other properties are charged based on the actual impervious surface.



**FINANCIAL ANALYSIS OF GOVERNMENTAL & PROPRIETARY FUNDS**

As noted earlier, the City of Mercer Island uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

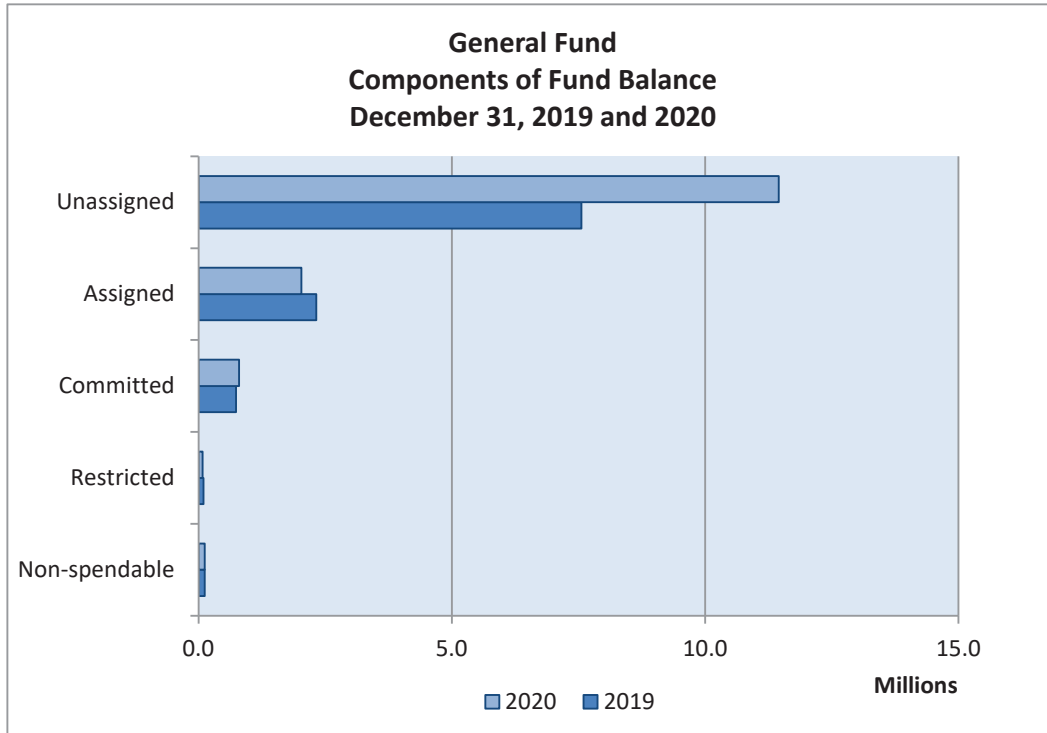
**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use, because it represents that portion of fund balance that is not restricted, committed, or assigned for a specific purpose by an external party, the City itself, or a group or individual that has been delegated authority to assign resources to be used for particular purposes by the Mercer Island City Council.

The following analysis is based on the Balance Sheet for Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balance for Governmental Funds.

At the end of 2020 the City's combined ending fund balances for governmental funds amounted to \$27.07 million, which represents an increase of \$5.45 million from the prior year. Of this combined total, \$11.45 million, or 42.3%, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the combined ending fund balances consists of the following: 1) \$0.40 million that is *non-spendable* (i.e. not in a spendable form); 2) \$9.75 million that is *restricted* for particular purposes; 3) \$1.47 million that is *committed* for particular purposes; and 4) \$3.99 million that is *assigned* for particular purposes.

Drilling down further, a brief analysis of each of the City's major governmental funds follows for the General Fund and Capital Improvement Fund.

The **General Fund** is the largest operating fund of the City. It accounts for all financial resources and transactions of the City except those required to be accounted for in another fund. Taxes are the primary revenue source for the General Fund. The 2020 ending fund balance was \$14.49 million, which represents an increase of \$3.65 million. Comparing 2020 to 2019, total revenues decreased \$0.65 million, or 2.1%, and total expenditures, excluding transfers out, decreased \$1.65 million, or 5.5%.



The **Street Fund** is a special revenue fund that accounts for the financial resources dedicated to street maintenance and construction. The fund balance at the end of 2020 was \$5.11 million, a 36.4% increase from the prior year. The primary driver of the increase in fund balance was a REET revenue and a decrease in the expected level of spending due to the impacts of the global COVID pandemic.

The **Capital Improvement Fund** is a capital projects fund that accounts for those financial resources that are used for the acquisition, construction, and preservation of the City’s “general government” (i.e. not utility) capital assets and facilities, which include parks, open space, and public buildings. The 2020 ending fund balance was \$5.31 million, which represents an increase of \$0.82 million, or 18.4%, relative to 2019. This increase in fund balance is mainly due to an increase in the proportionate share of REET revenues and lower than expected capital project spending. Interfund transfers out of the Capital Improvement Fund relate to paying the debt service on non-voted bonds for the Mercer Island Community & Event Center (MICEC). The original bonds that financed the construction of the MICEC were advance refunded in 2013. As a result, the Capital Improvement Fund will continue to realize debt service cost savings.

**Other Governmental Funds  
Components of Fund Balance  
December 31, 2019 and 2020**

Fund Balance Component	Street Fund			Capital Improvement Fund			Other Governmental Funds		
	2019	2020	% Change	2019	2020	% Change	2019	2020	% Change
Non-spendable	-	-	N/A	-	-	N/A	285,856	285,856	0.0%
Restricted	3,399,501	4,670,459	37.4%	3,177,113	4,463,065	40.5%	471,589	539,785	14.5%
Committed	250,748	344,012	37.2%	150,306	159,816	6.3%	506,478	162,113	-68.0%
Assigned	99,684	99,684	0.0%	1,158,546	687,282	-40.7%	1,279,599	1,171,810	-8.4%
Unassigned	-	-	N/A	-	-	N/A	-	-	N/A
<b>Total fund balance</b>	<b>3,749,933</b>	<b>5,114,155</b>	<b>36.4%</b>	<b>4,485,965</b>	<b>5,310,163</b>	<b>18.4%</b>	<b>2,543,522</b>	<b>2,159,565</b>	<b>-15.1%</b>

**Proprietary Funds.** The City's *proprietary funds* provide the same type of information found in the government-wide financial statements, but in more detail. The total net position of the City's proprietary funds, as well as the change in total net position over the prior year, was addressed above under Business-Type Activities in the Government-Wide Overall Financial Analysis section.

Drilling down further, a brief analysis of each of the City's major proprietary funds follows for the Water Fund, Sewer Fund, and Storm Water Fund. The analysis is based on the Statement of Net Position for Proprietary Funds and the Statement of Revenues, Expenses, and Changes in Net Position for Proprietary Funds.

The **Water Fund** is an enterprise fund that accounts for all operating, maintenance, and capital activities associated with the City's water utility. The 2020 ending net position was \$33.63 million, which represents an increase of \$3.4 million, or 11.3%, relative to 2019. Operating income was \$3.3 million in 2020, representing an accumulation of funding for capital projects in coming years.

The **Sewer Fund** is an enterprise fund that accounts for all operating, maintenance, and capital activities associated with the City's sewer utility. The 2020 ending net position was \$24.85 million, which represents an increase of \$1.89 million, or 8.3%, relative to 2019. Operating income was \$2.22 million in 2020, representing an accumulation of funding for capital projects in coming years.

The **Storm Water Fund** is an enterprise fund that accounts for all operating, maintenance, and capital activities associated with the City's storm water utility. The 2020 ending net position was \$12.70 million, which represents an increase of \$0.29 million, or 2.3%, relative to 2019. Operating income was \$0.21 million in 2020, representing an accumulation of funding for capital projects in coming years.

**Proprietary Funds  
Components of Net Position  
December 31, 2019 and 2020**

Net Position Component	Water Fund			Sewer Fund			Storm Water Fund		
	2019	2020	% Change	2019	2020	% Change	2019	2020	% Change
Net investment in capital assets	15,576,454	15,993,250	2.7%	17,053,154	17,738,801	4.0%	7,934,145	8,071,599	1.7%
Unrestricted	14,632,337	17,637,838	20.5%	5,902,781	7,111,688	20.5%	4,482,782	4,633,918	3.4%
<b>Total net position</b>	<b>30,208,791</b>	<b>33,631,088</b>	<b>11.3%</b>	<b>22,955,935</b>	<b>24,850,488</b>	<b>8.3%</b>	<b>12,416,927</b>	<b>12,705,517</b>	<b>2.3%</b>

City of Mercer Island, Washington

**GENERAL FUND BUDGETARY HIGHLIGHTS**

**Original budget compared to final budget.** The City of Mercer Island budgets on a biennial basis with each biennial budget beginning in an odd numbered year by state law. Comparing the final amended 2019-2020 General Fund budget to the originally adopted budget, total budgeted expenditures and other financing uses decreased by \$0.78 million. Following are the *major* budgetary changes to the originally adopted 2019-2020 **General Fund** budget:

- \$1.26 million decrease in the first quarter of 2019 to reduce deficit spending;
- \$1.69 million reduction, primarily in Parks and Recreation, in response to revenue reductions as a result of the impacts of COVID 19;
- Acceptance of \$1.10 million in CARES act funding for pandemic response
- \$1.50 million interfund loan from the Water and Sewer utility funds for litigation expenses.

**CAPITAL ASSETS & DEBT ADMINISTRATION**

**Capital assets.** The City of Mercer Island's investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounts to \$210.23 million (net of accumulated depreciation). It includes land, buildings, improvements, machinery and equipment, infrastructure, construction in progress, and intangibles.

**City of Mercer Island's Capital Assets (net of depreciation)**

Capital Asset	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$108,789,823	\$108,789,823	\$203,992	\$203,992	\$108,993,815	\$108,993,815
Buildings	18,184,568	18,937,872	430,048	430,048	18,614,616	19,367,920
Improvements	8,209,009	9,083,748	92,448,833	90,412,420	100,657,842	99,496,168
Machinery & equipment	5,276,231	4,963,471	1,631,873	1,616,455	6,908,104	6,579,926
Infrastructure	17,672,495	17,957,158	-	-	17,672,495	17,957,158
Construction in progress	342,650	181,737	792,699	606,299	1,135,348	788,036
Intangibles	1,382,653	1,296,398	18,129	18,129	1,400,782	1,314,527
Accumulated depreciation			(45,156,424)	(43,193,339)	(45,156,424)	(43,193,339)
	\$159,857,430	\$161,210,207	\$50,369,150	\$50,094,003	\$210,226,578	\$211,304,211

Major capital asset events during the 2019-2020 biennium include the following:

- Multiple projects to improve parks and playfields, including Island Crest Park sports field improvements;
- The purchase of a land asset in the Town Center for future site of long term parking;
- The purchase of a CCTV Truck and related software; and
- Continued investment in Utility infrastructure that included mains, hydrants and watercourse improvements.

Those capital assets that are subject to depreciation are depreciated over their useful lives based on the straight-line method.

Additional information on the City of Mercer Island's capital assets can be found in Note 14 (Capital Assets) in the notes to the financial statements.

**Long-term debt.** At the end of 2020, the City of Mercer Island had total debt outstanding of \$10.69



million. Of this amount, \$7.39 million is backed by the full faith and credit of the government. The remainder of the City's long-term obligations comprises capital leases and a Public Works Trust Fund loan. The City of Mercer Island maintains bond ratings with Moody's Investors Service. Moody's upgraded the City's non-voted (i.e. limited tax) general obligation (LTGO) bond rating in February 2017 from Aa1 to Aaa. The City does not have any voted (i.e. unlimited tax) general obligation (UTGO) debt.

### City of Mercer Island's Outstanding Long-term Debt

Type of Debt	Governmental		Business-Type		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 1,240,466	\$ 2,074,198	\$ 6,148,961	\$ 6,710,948	\$ 7,389,427	\$ 8,785,147
Capital leases	886,460	1,062,956	-	-	886,460	1,062,956
Public works loans	-	-	2,416,544	2,819,301	2,416,544	2,819,301
<b>TOTAL</b>	<b>\$ 2,126,926</b>	<b>\$ 3,137,154</b>	<b>\$ 8,565,505</b>	<b>\$ 9,530,249</b>	<b>\$ 10,692,431</b>	<b>\$ 12,667,404</b>

The City has one Public Works Trust Fund loan from the State of Washington. This loan was for sewer capital improvements to the Sewer Lake Line. Debt service on the loan is paid for by sewer utility rates. The City currently has no revenue bonds.

Washington State law limits the amount of general obligation debt a governmental entity may issue to 7.5% of its total assessed valuation, subject to a 60% majority vote of qualified electors. Of the 7.5% limit, 2.5% is for general purposes, 2.5% is for open space/park facilities, and 2.5% is for utilities. Non-voted (i.e. limited tax) general obligation indebtedness is limited to 1.5% of assessed valuation. The combination of all debt cannot exceed 7.5% of assessed valuation. The City of Mercer Island's debt obligations are substantially below the statutory limits for debt capacity.

Additional information on the City's long term debt can be found in Note 11 (Long-term Debt), Note 12 (Leases), and Note 13 (Changes in Long-term Liabilities) in the notes to the financial statements.

### NEXT YEAR'S BUDGET, RATES AND ECONOMIC FACTORS

Mercer Island is an affluent, single-family residential community that is essentially built out. Its real property assessed valuation per square mile is the highest of any city in King County. Also, the per capita income level is more than two times the state average.

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, colleges and universities, cancelling public events, and limiting gathering sizes. Consistent with the Governors instructions the City of Mercer Island made the following changes to its operations:

- Suspended all operations at the Mercer Island Community and Events Center including recreation programming and facility rentals.
- Closed all public buildings to the public and limited operations to essential services only.
- Closed the Mercer Island Thrift Shop, suspending all retail operations.

The City incurred immediate revenue reductions with the closure of the Thrift Shop and Parks and Recreation operations impacting both the General Fund and the Youth and Family Services Fund. Phased decisions on expenditure reductions continued throughout 2020.

**2021-2022 Budget Strategy**

In developing a budget recommendation, the City took a conservative and cautious approach to planning for the 2021-2022 biennium. The budget focuses on delivering essential services, fostering continuous process improvement strategies, and providing stability for the organization. It reflects a modified organizational structure and reduced staffing levels as compared to prior years, yet retains the flexibility to adapt to ongoing needs.

The overall budget strategy centers on relatively flat spending while supporting actions that will strengthen the City of Mercer Island's financial position. This two-year budget:

- Maintains core municipal services and supports ongoing emergency response efforts.
- Re-organizes City departments for more effective and efficient service delivery.
- Identifies opportunities and resources to improve operational services.
- Avoids new tax proposals, layoffs, and furloughs.
- Establishes new best practices for implementing capital improvements.
- Reinvests in the maintenance of the City's critical infrastructure.
- Emphasizes the ongoing need for recovery planning for services impacted by the Pandemic.

**Stabilizing the Organization**

Mercer Island, like many communities in the region, has faced a structural deficit in its operating budget (General Fund) in recent years. This was caused by limited revenue sources that are unable to keep pace with the rising cost of services.

In early 2020, and in response to the impacts of the Pandemic, the City Council endorsed a multi-pronged strategy to address the projected deficit in the General Fund that involved:

- Implementing cost saving measures to reduce operating expenditures without jeopardizing core services.
- Examining past practices and areas to prioritize new process improvements.
- Reviewing business process efficiencies, including the use of technology to reduce costs and staff time.
- Using contingency and reserve funds carefully.

This combination of actions reduced the City's projected shortfall for 2020 by \$3.8 million – the majority through cost saving measures and without having to deeply tap contingency and reserve funds. While the current five-year forecast indicates that the two-year budget balances, the Pandemic has fundamentally changed the way we think about doing business and the City's organization. And while the implementation of these cost-cutting measures and organization-wide savings helped get the organization through 2020, staff are anticipating future deficits in the General Fund as expenditures are expected to exceed projected income in future years.

Budget stabilization has been one of the staff's top priorities throughout the Pandemic and the budget process. By employing the strategies described above the City of Mercer Island can successfully navigate what may be a period of economic recession nationwide, while steadily improving internal operations and the delivery of services.

**Significant Budget Issues**

Many of the City's long-standing revenue-generating operations remain closed. The Thrift Shop, which supports the City's Youth and Family Services Department, was able to partially open beginning in late

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summer 2020, but remains unable to fully open due to safety concerns related to the Pandemic. Staff is working with stakeholders on potential scenarios for a phased Thrift Shop re-opening. It is one of our top priorities to safely re-open the Thrift Shop and restore this critical revenue stream.

Recreation programming continues to be significantly impacted by the Pandemic. With the Mercer Island Community and Event Center closed and recreation programs suspended, staff is working on a recovery plan and anticipate presenting a phased re-opening approach for recreation services to the City Council in early 2021.

The Community Planning and Development (CPD) Department provides critical services to customers interested or engaged in development activity on Mercer Island. Permit revenues from development activity have fallen out of line with projections going back to 2019. This downward trend accelerated through 2020 due to impacts from the Pandemic. At present, a handful of large development projects are in the pipeline and may move forward, while routine permit applications have slowed. A primary focus for the 2021-2022 biennium is to right-size the CPD Department, revisit cost recovery levels, review building code requirements, and institute new tools to ensure costs are aligned with efficient service delivery.

**Conclusion**

This 2021-2022 Budget is a starting point, built on cautious optimism during a time of unprecedented change. It will guide the organization as work continues to restore suspended services in a fiscally responsible manner.

**REQUEST FOR FINANCIAL INFORMATION**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Mercer Island, Washington, 9611 SE 36th Street, Mercer Island, Washington 98040.



**City of Mercer Island**  
**Statement of Net Position**  
**December 31, 2020**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<i>Current assets:</i>			
Cash & cash equivalents	\$ 30,716,760	\$ 28,796,502	\$ 59,513,262
Receivables (net)	3,808,143	955,633	4,763,776
Internal balances	(1,292,592)	1,292,592	-
Inventories	120,857	254,293	375,150
<i>Deferred charges &amp; other assets</i>			
Net pension asset	5,784,441	-	5,784,441
Capital assets not being depreciated:			
Land	108,789,823	203,992	108,993,815
Construction in progress	342,650	792,699	1,135,349
Capital assets net of depreciation:			
Buildings, improvements, machinery and equipment.	33,052,462	49,372,460	82,424,922
Infrastructure	17,672,495	-	17,672,495
Total assets	<u>\$ 198,995,040</u>	<u>\$ 81,668,171</u>	<u>\$ 280,663,210</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	\$ 19,420	\$ 252,582	\$ 272,002
Asset Retirement Obligations	-	88,714	88,714
Pensions	2,489,195	334,875	2,824,070
Total deferred outflows of resources	<u>\$ 2,508,615</u>	<u>\$ 676,171</u>	<u>\$ 3,184,786</u>
<b>LIABILITIES</b>			
<i>Current liabilities:</i>			
Accounts payable and accrued exp.	\$ 2,239,484	\$ 1,060,789	\$ 3,300,273
Accrued interest payable	22,328	21,633	43,961
Bonds, notes, loans payable	1,001,675	957,757	1,959,432
Other current liabilities	37,407	23,589	60,996
Unearned revenue - other	251,718	-	251,718
<i>Noncurrent liabilities:</i>			
Net pension liability	4,166,179	947,457	5,113,636
OPEB Liability	11,721,426	-	11,721,426
Due in more than one year	2,616,768	7,889,887	10,506,655
Total liabilities	<u>\$ 22,056,985</u>	<u>\$ 10,901,112</u>	<u>\$ 32,958,097</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	\$ 210,156	\$ -	\$ 210,156
Pensions	2,283,434	378,817	2,662,251
Total deferred inflows of resources	<u>\$ 2,493,590</u>	<u>\$ 378,817</u>	<u>\$ 2,872,407</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 157,749,924	\$ 41,803,649	\$ 199,553,573
Restricted for:			
Debt service	23,981	-	23,981
Investment in parks, open space and buildings	4,563,065	-	4,563,065
Streets, paths and trails	5,114,155	-	5,114,155
Criminal Justice & Jails	120,782	-	120,782
Emergency Assistance	192,916	-	192,916
Expendable permanent fund	4,669	-	4,669
Non expendable permanent fund	285,856	-	285,856
Unrestricted	8,897,732	29,260,764	38,158,495
Total net position	<u>\$ 176,953,080</u>	<u>\$ 71,064,413</u>	<u>\$ 248,017,492</u>

Notes to the Financial Statements are an integral part of this Statement.

**City of Mercer Island**  
**Statement of Activities**  
**For the Year Ending December 31, 2020**

	Program Revenues				Net (Expense) Revenue & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>							
<b>Primary Government</b>							
Governmental activities:							
Judicial	\$ 391,452	\$ 121,182	\$ 200	\$ -	\$ (270,070)		\$ (270,070)
General government	6,042,766	754,033	1,298,858	-	(3,989,875)		(3,989,875)
Public safety	13,699,900	1,825,364	163,364	-	(11,711,173)		(11,711,173)
Physical environment	244,340	-	-	-	(244,340)		(244,340)
Transportation	2,809,909	93,264	10,000	281,057	(2,425,588)		(2,425,588)
Human services	1,978,360	605,423	937,075	-	(435,862)		(435,862)
Economic environment	2,700,322	2,075,747	-	-	(624,575)		(624,575)
Culture & recreation	5,968,272	1,026,885	23,372	108,690	(4,809,325)		(4,809,325)
Interest on long-term debt	44,341	-	-	-	(44,341)	(210,037)	(254,378)
Total governmental activities	<u>\$ 33,879,662</u>	<u>\$ 6,501,899</u>	<u>\$ 2,432,868</u>	<u>\$ 389,747</u>	<u>\$ (24,555,148)</u>	<u>\$ (210,037)</u>	<u>\$ (24,765,185)</u>
Business-type Activities:							
Water	\$ 6,316,291	\$ 9,665,036	\$ -	\$ -		\$ 3,348,745	\$ 3,348,745
Sewer	7,966,024	10,171,877	-	-		2,205,853	2,205,853
Other utilities	1,875,708	2,107,568	-	-		231,860	231,860
Total business type activities	<u>16,158,023</u>	<u>21,944,481</u>	<u>-</u>	<u>-</u>		<u>5,786,458</u>	<u>5,786,458</u>
Total primary government	<u>\$ 50,037,685</u>	<u>\$ 28,446,380</u>	<u>\$ 2,432,868</u>	<u>\$ 389,747</u>	<u>\$ (24,555,148)</u>	<u>\$ 5,576,421</u>	<u>\$ (18,978,727)</u>
<b>GENERAL REVENUES:</b>							
Property taxes					\$ 14,068,187	\$ -	\$ 14,068,187
Sales taxes					5,393,609		5,393,609
B&O taxes					4,929,377		4,929,377
Real estate excise taxes					4,355,270		4,355,270
Other taxes					1,428,687		1,428,687
Investment earnings					184,411	200,769	385,180
Gain (loss) on disposal of capital assets					24,590	-	24,590
<b>TRANSFERS</b>					256,407	(256,407)	(0)
Total general revenues & transfers					<u>\$ 30,640,538</u>	<u>\$ (55,638)</u>	<u>\$ 30,584,900</u>
Change in net position					\$ 6,085,390	\$ 5,520,782	\$ 11,606,173
Net position - beginning					170,867,690	65,543,631	236,411,321
Net position - ending					<u>\$ 176,953,080</u>	<u>\$ 71,064,413</u>	<u>\$ 248,017,493</u>

Notes to the Financial Statements are an integral part of this Statement

**City of Mercer Island  
Balance Sheet  
Governmental Funds  
December 31, 2020**

	General Fund	Street	Capital Improve	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash & cash equivalents	\$ 13,153,765	\$ 4,640,920	\$ 6,028,023	\$ 2,125,698	\$ 25,948,407
Receivables (net)	2,631,098	543,745	359,868	82,741	3,617,453
Inventories	120,857	-	-	-	120,857
Total assets	<u>15,905,720</u>	<u>5,184,665</u>	<u>6,387,891</u>	<u>2,208,439</u>	<u>29,686,716</u>
<b>LIABILITIES</b>					
<i>Current Liabilities:</i>					
Accounts payable and accrued exp.	923,084	70,510	1,077,728	45,379	2,116,702
Unearned revenue-other	248,222	-	-	3,496	251,718
Deposits payable	37,407	-	-	-	37,407
Total liabilities	<u>1,208,713</u>	<u>70,510</u>	<u>1,077,728</u>	<u>48,875</u>	<u>2,405,826</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	210,156	-	-	-	210,156
Total deferred inflows of resources	<u>210,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,156</u>
<b>FUND BALANCE</b>					
Non-Spendable	120,857	-	-	285,856	406,713
Restricted	79,437	4,670,459	4,463,065	539,785	9,752,746
Committed	801,473	344,012	159,816	162,113	1,467,414
Assigned	2,029,590	99,684	687,282	1,171,810	3,988,366
Unassigned	11,455,494	-	-	-	11,455,494
Total fund balance	<u>14,486,851</u>	<u>5,114,155</u>	<u>5,310,163</u>	<u>2,159,565</u>	<u>27,070,733</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 15,905,720</u>	<u>\$ 5,184,665</u>	<u>\$ 6,387,891</u>	<u>\$ 2,208,441</u>	<u>\$ 29,686,716</u>

Total Fund Balance for Governmental Funds \$ 27,070,733

**Amounts reported for governmental activities in the statement of net position are different because:**

Capital assets used in governmental activities are not financial resources and are not reported in the funds	155,380,171
Other long-term assets are not available to pay for current period expenditures are deferred in the funds	8,422,759
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(22,046,613)

Internal service funds are used by management to charge the costs of certain activities to individual funds.

These assets and liabilities are included in governmental activities in the statement of net position.

**Net position of governmental activities**

8,126,027  
\$ 176,953,080

See also **NOTE 5** for detailed reconciliation.

**City of Mercer Island**  
**Statement of Revenues, Expenditures, and Change in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	General	Street	Capital Imp	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes:					
Property	\$ 12,766,138		\$ 450,817	\$ 613,900	13,830,855
Sales	5,357,818			35,791	5,393,609
B&O	4,929,377			-	4,929,377
REET	-	1,959,872	2,395,399	-	4,355,270
Licenses & permits	2,267,624			-	2,267,624
Intergovernmental	1,669,347	1,216,778	123,651	291,993	3,301,770
Charges for services	3,103,295	93,264	111,510	605,423	3,913,492
Fines & forfeitures	185,843			-	185,843
Investment earnings	187,065			2,159	189,224
Other revenues	383,547			645,082	1,028,629
Total revenues	<u>30,850,053</u>	<u>3,269,914</u>	<u>3,081,377</u>	<u>2,194,348</u>	<u>39,395,692</u>
<b>EXPENDITURES</b>					
Current:					
Judicial	427,504	-	-	-	427,504
General government	6,166,780	-	57,099	98,981	6,322,860
Public safety	14,237,270	-	7,995	5,972	14,251,237
Physical environment	63,604	-	9,833	(0)	73,437
Transportation	791,632	683,245	-	121,226	1,596,103
Health & human services	14,520	-	55,911	2,079,744	2,150,175
Economic environment	2,949,197	-	-	12,143	2,961,340
Culture & recreation	3,268,056	-	1,683,743	5,362	4,957,162
Debt service:					
Principal	84,728	-	-	795,000	879,728
Interest	625	-	-	44,700	45,325
Capital outlay:					
General government	46,540	-	190,223	48,911	285,674
Public safety	-	-	-	83,984	83,984
Physical environment	-	-	91,522	-	91,522
Transportation	15,476	1,212,074	-	10,373	1,237,923
Health & human services	-	-	-	15,501	15,501
Economic environment	3,183	-	-	2,024	5,207
Culture & recreation	-	-	72,991	-	72,991
Total expenditures	<u>28,069,116</u>	<u>1,895,319</u>	<u>2,169,317</u>	<u>3,323,921</u>	<u>35,457,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,780,937</u>	<u>1,374,595</u>	<u>912,060</u>	<u>(1,129,573)</u>	<u>3,938,019</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	47,738	745,614	793,352
Transfers out	(635,567)	(10,373)	(135,600)	-	(781,540)
Interfund loan proceeds	1,500,000	-	-	-	1,500,000
Total other financing sources (uses)	<u>864,433</u>	<u>(10,373)</u>	<u>(87,862)</u>	<u>745,614</u>	<u>1,511,812</u>
Net change in fund balances	3,645,370	1,364,222	824,198	(383,959)	5,449,830
Fund balances - Beginning	10,841,483	3,749,933	4,485,965	2,543,522	21,620,903
Fund balances - Ending	<u>\$ 14,486,851</u>	<u>\$ 5,114,155</u>	<u>\$ 5,310,163</u>	<u>\$ 2,159,565</u>	<u>\$ 27,070,733</u>

The Notes to the Financial Statements are an integral part of this statement.



**City of Mercer Island**  
**Statement of Revenues, Expenditures, and Change in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances for governmental funds		5,449,830
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(1,282,552)
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Current year depreciation is:		
Capital Outlays	1,792,801	
Depreciation Expense	<u>(3,120,685)</u>	
	<u>(1,327,884)</u>	(1,327,884)
The issuance of long term debt is a resource and the repayment of bond principal is an expenditure in governmental funds. These transactions effect liabilities in the Statement of net position.		
Debt Principal repayments and related costs.		825,478
Expenses in the statement of activities do not require the use of current financial resources and are not reported as expenditure in governmental funds. Total:		2,210,865
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income/(loss) of most of these activities is reported with governmental activities.		209,650
Change in net position of governmental activities		<u>\$ 6,085,390</u>
See also <b>NOTE 5</b> for detailed reconciliation.		

**City of Mercer Island**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2020**

	<b>Business-type Activities--Enterprise Funds</b>				<b>Governmental Activities-Internal Service Funds</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Storm Drain Fund</b>	<b>Total Enterprise Funds</b>	
<b>ASSETS</b>					
Current assets:					
Cash & cash equivalents	\$ 17,524,369	\$ 6,262,108	\$ 5,010,024	\$ 28,796,502	\$ 4,768,353
Receivables (net)	330,667	515,482	109,484	955,633	281
Inventories	243,369	10,924	-	254,293	-
Deferred charges & other assets					
Due from other funds	707,636	707,636	-	1,415,272	-
Capital assets:					
Land	106,125	97,866	-	203,992	-
Construction in progress	371,542	421,157	-	792,699	31,157
Depreciable assets (net of accumulated depreciation)	16,410,988	24,889,873	8,071,599	49,372,460	4,446,102
Total assets	<u>35,694,696</u>	<u>32,905,047</u>	<u>13,191,107</u>	<u>81,790,851</u>	<u>9,245,893</u>
<b>DEFERRED OUTFLOW of RESOURCES</b>					
Deferred amount on refunding	\$ -	\$ 252,582	\$ -	\$ 252,582	\$ -
Asset retirement obligations	88,714	-	-	88,714	-
Pensions	143,016	104,934	86,925	334,875	60,706
Total Deferred Outflow of Resources	<u>231,730</u>	<u>357,516</u>	<u>86,925</u>	<u>676,172</u>	<u>60,706</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued exp.	\$ 634,346	\$ 264,533	\$ 161,909	\$ 1,060,789	\$ 122,782
Accrued interest payable	2,906	18,727	-	21,633	20,061
Bonds, notes, loans payable	75,000	882,757	-	957,757	181,675
Deposits payable	11,896	-	11,693	23,589	-
Noncurrent liabilities:					
Compensated absences	92,369	43,128	54,645	190,143	33,526
Bonds, notes, loans payable	820,406	6,787,339	-	7,607,744	704,785
Net pension liability	404,633	296,888	245,936	947,457	171,753
Other noncurrent liabilities	92,000	-	-	92,000	-
Total liabilities	<u>2,133,556</u>	<u>8,293,373</u>	<u>474,184</u>	<u>10,901,112</u>	<u>1,234,582</u>
<b>DEFERRED INFLOW of RESOURCES</b>					
Pensions	\$ 161,783	\$ 118,703	\$ 98,331	\$ 378,817	\$ 68,671
Total Deferred Inflow of Resources	<u>161,783</u>	<u>118,703</u>	<u>98,331</u>	<u>378,817</u>	<u>68,671</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 15,993,250	\$ 17,738,801	\$ 8,071,599	\$ 41,803,649	\$ 3,590,799
Unrestricted	17,637,838	7,111,688	4,633,918	29,383,444	4,412,547
Total net position	<u>\$ 33,631,088</u>	<u>\$ 24,850,488</u>	<u>\$ 12,705,517</u>	<u>\$ 71,187,094</u>	<u>\$ 8,003,346</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:				(122,680)	
<b>Net position of business-type activities</b>				<u>\$ 71,064,413</u>	

The Notes to the Financial Statements are an integral part of this statement

**City of Mercer Island**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the year ended December 31, 2020**

	Water Fund	Sewer Fund	Storm Drain Fund	Total Enterprise Funds	Governmental Activities-Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for Services:					
Charge for services	\$ 9,573,106	\$ 10,147,164	\$ 2,046,943	\$ 21,767,212	\$ 1,796,859
Other operating revenue	-	-	4,186	\$ 4,186	-
Total operating revenues	<u>9,573,106</u>	<u>10,147,164</u>	<u>2,051,128</u>	<u>21,771,397</u>	<u>1,796,859</u>
<b>OPERATING EXPENSES</b>					
Maintenance & operations	2,589,211	1,687,286	1,566,020	5,842,517	1,396,319
Water purchased for resale	2,016,364	-	-	2,016,364	-
Metro sewer charges	-	4,798,951	-	4,798,951	-
Administrative and general	349,103	134,299	-	483,402	-
Insurance	113,619	59,583	12,413	185,615	38,299
State utility taxes	481,441	227,889	36,080	745,409	-
Depreciation	713,887	1,021,173	228,024	1,963,084	860,574
Total operating expenses	<u>6,263,625</u>	<u>7,929,181</u>	<u>1,842,537</u>	<u>16,035,343</u>	<u>2,295,192</u>
Operating income (loss)	<u>3,309,481</u>	<u>2,217,982</u>	<u>208,591</u>	<u>5,736,054</u>	<u>(498,333)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	118,882	45,589	36,299	200,769	3,437
Interest expense	(35,920)	(174,117)	-	(210,037)	(30,120)
Other non-operating revenue	53,908	24,713	56,440	135,060	380,822
Gain (loss) on disposition of assets	-	-	-	-	24,590
Total non-operating income (expense)	<u>136,870</u>	<u>(103,816)</u>	<u>92,739</u>	<u>125,792</u>	<u>378,729</u>
Income before contributions & transfers	<u>3,446,350</u>	<u>2,114,166</u>	<u>301,330</u>	<u>5,861,847</u>	<u>(119,604)</u>
Transfers in	-	-	-	-	244,595
(Transfers out)	(24,054)	(219,613)	(12,740)	(256,407)	-
Change in net position	<u>3,422,296</u>	<u>1,894,553</u>	<u>288,590</u>	<u>5,605,440</u>	<u>124,991</u>
Net position--beginning	<u>30,208,792</u>	<u>22,955,935</u>	<u>12,416,927</u>	<u>65,581,654</u>	<u>7,878,354</u>
Net position --ending	<u>\$ 33,631,088</u>	<u>\$ 24,850,488</u>	<u>\$ 12,705,517</u>	<u>\$ 71,187,094</u>	<u>\$ 8,003,346</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.				(84,658)	
Change in net position of business-type activities				<u>\$ 5,520,782</u>	

The Notes to the Financial Statements are an integral part of this statement.

**City of Mercer Island**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	Water	Sewer	Storm Drain	Totals	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 9,505,462	\$ 10,156,087	\$ 2,050,729	\$ 21,712,279	\$ 1,796,859
Payments to employees	(1,558,652)	(1,147,753)	(871,358)	(3,577,763)	(677,008)
Payments to suppliers	(1,321,632)	(818,563)	(647,344)	(2,787,539)	(785,835)
Payments to other governments	(2,497,805)	(5,026,840)	(36,080)	(7,560,725)	0
Other operating revenues	0	0	4,186	4,186	0
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,127,374	3,162,931	500,133	7,790,438	334,015
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Other non-operating revenues	53,595	24,400	0	77,995	142,233
Interfund loan to General Fund	(707,636)	(707,636)	0	(1,415,272)	0
Interfund transfers received/(paid)	(24,054)	(219,613)	(12,740)	(256,407)	244,595
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(678,095)	(902,849)	(12,740)	(1,593,683)	386,827
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Cash contributions in aid of capital purchases	0	0	56,440	56,440	237,332
Purchase of capital assets	(1,059,642)	(813,113)	(365,478)	(2,238,232)	(839,085)
Principal paid on capital debt	(71,041)	(865,643)	0	(936,683)	(176,497)
Interest paid on capital debt	(36,109)	(176,641)	0	(212,750)	(33,574)
Proceeds from sales of capital assets	0	0	0	0	29,252
NET CASH PROVIDED BY CAPITAL FINANCING ACTIVITIES	(1,166,792)	(1,855,396)	(309,038)	(3,331,226)	(782,571)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received on Investments	126,855	49,502	39,424	215,782	3,712
Interest received on long-term loans	313	313	0	625	0
NET CASH PROVIDED BY INVESTING ACTIVITIES	127,168	49,815	39,424	216,407	3,712
Net increase(decrease)in cash	2,409,655	454,501	217,779	3,081,935	(58,017)
Cash January 1, 2020	15,114,714	5,807,607	4,792,245	25,714,567	4,826,370
Cash December 31, 2020	17,524,369	6,262,108	5,010,024	28,796,502	4,768,353
Cash at the end of the year consists of:					
Operating fund cash	17,524,369	6,262,108	5,010,024	28,796,502	4,768,353
Total cash at the end of the year	17,524,369	6,262,108	5,010,024	28,796,502	4,768,353
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 3,309,481	\$ 2,217,982	\$ 208,591	\$ 5,736,054	\$ (498,333)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	713,887	1,021,173	228,024	1,963,084	860,574
(Increase)decrease in accounts receivable	(67,643)	8,924	3,787	(54,933)	0
Increase(decrease) in accounts payable	214,388	(15,529)	79,982	278,841	(12,853)
Increase (decrease) in salary and benefit payable	(42,739)	(69,619)	(20,251)	(132,609)	(15,372)
Total adjustments	817,893	944,949	291,541	2,054,383	832,349
Net cash provided by operating activities	\$ 4,127,374	\$ 3,162,931	\$ 500,133	\$ 7,790,437	\$ 334,016

The Notes to the Financial Statements are an integral part of this statement.

**City of Mercer Island  
Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2020**

	<b>Firemens Pension Trust Fund</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash & cash equivalents	\$ 868,712	\$ 21,406
Interest Receivable	526	-
Total assets	<u>869,238</u>	<u>21,406</u>
<b>LIABILITIES</b>		
Benefits payable	\$ 2,430	\$ -
Due to other governments	-	11,096
Municipal Court trust	-	10,311
Total liabilities	<u>\$ 2,430</u>	<u>21,406</u>
<b>NET POSITION</b>		
Restricted for:		
Pensions	866,808	-
Other Governments		
Total net position	<u>\$ 866,808</u>	<u>-</u>

The Notes to the Financial Statements are an integral part of this statement,

**City of Mercer Island**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended December 31, 2020**

	<b>Firemens Pension Trust Fund</b>	<b>Custodial Funds</b>
<b>ADDITIONS:</b>		
Contributions:		
Employer	\$ 26,410	\$ -
State shared tax	35,472	
Total other contributions	<u>61,882</u>	<u>-</u>
Investment earnings:		
Interest & dividends	6,433	
Total net investment income (loss)	<u>6,433</u>	<u>-</u>
Collections for other governments	-	230,891
Other	-	-
Total additions	<u>68,315</u>	<u>230,891</u>
<b>DEDUCTIONS:</b>		
Benefit payments	77,944	-
Remit to other governments	-	230,891
Administrative expenses	-	-
Total deductions	<u>77,944</u>	<u>230,891</u>
Net increase (decrease) in fiduciary net position	(9,629)	-
<b>Net position - Beginning</b>	<u>876,437</u>	<u>-</u>
<b>Net position - Ending</b>	<u>\$ 866,808</u>	<u>\$ -</u>

The Notes to the Financial Statements are an integral part of this statement.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Mercer Island have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

Effective for the fiscal year 2020, the City considered the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 83 – *Certain Asset Retirement Obligations*. The object of this statement is to address accounting and financial reporting for asset retirements that carry legally enforceable remediation obligations. It establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources.

GASB Statement No. 84 – *Fiduciary Activities*. The object of this statement is to improve the identification of fiduciary activities and how they should be reported. It establishes criteria for identifying activities related to control of those assets. Control is defined as holding the assets or the ability to use, exchange, or employ the assets in a manner that provides benefits to the intended recipients.

**Organization**

The City of Mercer Island was incorporated on July 18, 1960. It remained separate from the Town of Mercer Island (which occupied the area now in the central business district) until July of 1970. The City has a council-manager form of government and operates under Title 35A of the Revised Code of Washington (RCW). The City Council is composed of seven non-partisan members elected at large for 4-year terms. From among the council members a mayor is elected for a term of two years. Day-to-day City operations are under the direction of a city manager, who is appointed by the council. The City provides general government services including police, fire service, streets and trails, parks and recreation, planning and zoning, permits and inspection, general administrative and water, sewer, and storm water services.

**Reporting Entity**

The City of Mercer Island operates under the laws of the State of Washington applicable to the council-manager form of government. As required by generally accepted accounting principles the financial statements present the City of Mercer Island as the primary government.

Blended Component Unit – The Mercer Island Transportation Benefit District was formed by the City Council on October 20, 2014. The purpose of the District is to fund the maintenance, improvement and preservation of existing transportation facilities. The City of Mercer Island Council appointed itself to act as the seven-member governance board of the District. At its December 7, 2015 meeting, the City Council adopted ordinance 15C-24 authorizing the City to assume the rights, powers, functions, immunities and obligations of the Mercer Island Transportation Benefit District. The Mercer Island Transportation Benefit District is reported as a part of the primary government because of its governance structure and because its sole purpose is to finance and construct Mercer Island streets. The District is funded by a \$20 excise tax on all vehicles registered within the City of Mercer Island. Under contract with the Washington State Department of Licensing, the vehicle excise taxes began collection in May 2015.

**Government-Wide and Fund Financial Statements**

The city's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are paid for by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included as program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, State shared revenues, utility taxes, franchise fees, grants, and reimbursements under inter-local agreements associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule the effect of interfund activity has been eliminated for the government-wide financial statements. Exceptions to this general rule are charges between the government's utility functions and various other functions of the government.

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Amounts reported as program revenues include 1) charges to customers, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

The proprietary fund statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the funds principal ongoing operations. The principal operating revenues of the City's utility funds and internal service funds are charges to customers for sales and services, vehicle replacement, and computer replacements. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources as they are needed.

### Financial Statement Presentation

The City of Mercer Island reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. It accounts for all financial resources and transactions of the City except those required to be accounted for in another fund.

The **Street Fund** is a special revenue fund that accounts for revenues and expenditures for street maintenance, preservation and construction.

The **Capital Improvement Fund** accounts for financial resources to be used for the acquisition, construction and preservation of the City's general government capital assets and facilities.

The City reports the following major Proprietary Funds:

The **Water Fund** accounts for all activities necessary for the operation, maintenance, and capital reinvestment required to provide water services to Mercer Island residents.

The **Sewer Fund** accounts for all activities necessary for the operation, maintenance, and capital reinvestment required to provide waste water services to Mercer Island residents.

The **Storm and Surface Water Fund** accounts for all activities necessary for the operation, maintenance, and capital reinvestment required to provide storm water services to Mercer Island residents

Additionally the City reports the following fund types:

**Permanent Funds** account for principle restricted donation earnings. The City has one permanent fund, the Youth Service Endowment, which was created as long-term funding mechanism to support ongoing YFS programs.

**Special Revenue Funds** account for revenues derived from restricted or committed taxes, grants, contributions, and other resources for specific purposes. The City has one non-major special revenue funds: the Youth and Family Services fund.

**Capital Funds** account for the financial resources to be used for the acquisition or construction of capital facilities other than those financed by enterprise or internal service funds. The City has three non-major

capital funds: Technology and Equipment Fund, Long Term Parking Construction, and the Capital Reserve fund.

**Internal service funds** account for fleet maintenance and information technology services provided to other departments of the city.

A **Pension and Other Employee Benefit Trust Fund** accounts for the activities of the Firefighters Pension obligations, which accumulates resources for excess pension benefit payments to qualified firefighters.

A **Custodial Fiduciary funds** account for assets held by the city as an agent for other governments including WA State retail sales tax, leasehold excise tax and State court fines.

### **Budget Policy**

The City of Mercer Island budgets its funds in accordance with the Revised Code of Washington (RCW) Chapter 35A.34. The City of Mercer Island biennial budget is adopted by appropriation ordinance of the Mercer Island City Council and may be amended by subsequent ordinances. Budgets are legally adopted for all general and special revenue fund types on the modified accrual basis, in accordance with GAAP (Generally Accepted Accounting Principles). The City also establishes budgets for the following other fund types: debt service, capital projects, internal service, proprietary, and fiduciary funds. Biennial budgets for debt service and capital project funds are determined by debt issue ordinances and capital spending plans, respectively, therefore, budgetary comparisons, are not reported in the basic financial statements. Nor are budgetary comparisons presented for proprietary fund types, as they are "management budgets", determined on the working capital basis.

Washington State law requires that a mid-biennial review and modification be conducted between September 1st and December 31st of the first year of the biennium.

The budget, as adopted, constitutes the legal authority for expenditures. The City's budget is adopted at the fund level, so that expenditures may not legally exceed appropriations at that level of detail. Transfers or revisions within funds are allowed, however, any revisions that alter the total expenditures must be approved by the City Council. When the City Council determines that it is in the best interest of the City to amend the budget appropriations it may do so by ordinance approved by one more than the majority after holding a public meeting. To date the City's 2019-2020 biennial budget has been amended nine (9) times during the 2019-2020 biennium. The financial statements present the original and final budgetary information as approved. The original budget is the first complete adopted budget. The final budget is the original budget adjusted by all revisions, transfers and supplemental appropriations legally authorized. All appropriations, except for budgeted capital projects and appropriations for federal and state grant projects, lapse at the end of the biennium. Unexpended resources must be re-appropriated in the subsequent biennial period. The City does not use encumbrances.

The steps taken in the budget process are as follows: City departments begin budget preparation in late spring, incorporating policies, goals, and priorities set by City Council in their Management and Budget Policies, during their annual retreat, and during regular Council meetings throughout the year. By November 1st of even years, in compliance with the law, the City Manager submits a balanced proposed budget to the City Council for the two fiscal years commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Public budget hearings are conducted by the City Council in November and December, in accordance with State Law, to obtain taxpayer comments. Should the Council decide to make changes in the preliminary budget; the changes are made after the public hearings and before the adoption of the budget ordinance in December. Washington State law requires that the City Council adopt a balanced budget, which is legally enacted through passage of an ordinance, on or before December 31st.

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### Cash and Investments

It is the City's policy to invest all temporary (residual) cash surpluses. These investments are reported on the Statement of Net Position as cash and cash equivalents. Included in cash and cash equivalents are currency on hand, investments with the State Investment Pool and other investments. Residual cash from all funds is pooled and the interest earned on the investments is allocated back to various funds on a pro-rata basis. See Note 8.

The City, by State law, is authorized to purchase Certificates of Deposit issued by Washington State depositories that participate in a State Insurance Pool, U.S. Treasury and Agency Securities and banker's acceptances. All security transactions, entered into by the City of Mercer Island, are conducted on a delivery versus payment (DVP) basis. Securities are held by a third party custodian designated by the Finance Director. Investments are reported at Fair market value in accordance with GASB Statement 31.

### Receivables

The City of Mercer Island recognizes receivables in its financial statements based on the accounting requirements for each statement. Receivables are as follows:

**Taxes:** The City's property tax collection records show that approximately 98% of the property taxes due are collected in the year of the levy and delinquent taxes are collected in the next few years. Historically, all taxes have been collected; therefore no allowance for uncollectible taxes is recorded.

**Sales Tax:** Sales Tax collected and remitted by the State within 45 days of the fiscal year end is reported as receivables at year end.

**Other Taxes:** Utility taxes and franchise fees remitted within 45 days of the fiscal year end are reported as receivables at year end.

**Interest:** Interest receivable consists of interest earned on investments, notes or contracts at the end of the year.

**Accounts Receivable:** Customer accounts receivable consists of amounts owed by private individuals or organizations for City goods and services provided. Uncollectible amounts are considered immaterial and the direct write-off method is used when necessary.

### Inter-fund Transactions

During the course of normal operations, the City has numerous transactions between City funds. Quasi-external transactions such as buying goods and services are recorded as revenues and expenses. Reimbursements to a fund for expenditures previously paid that are more properly applicable to another fund are recorded as expenditures in the reimbursing fund and a reduction of expenditure in the fund receiving reimbursement.

All other inter-fund transactions are reported as transfers. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Direct expenses of the functional categories are included in the government-wide statement of activities while indirect expense allocations are eliminated. Indirect expenses are primarily charged to the various functions through the use of internal service funds for fleet maintenance and information technology. Elimination of payments to internal service funds are treated as expense reductions. No other indirect expenses are allocated to the various governmental functions. Exceptions to this general rule are charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as *interfund loans receivable/payable*. Outstanding balances between funds are reported as *due to/from other funds*. Balances outstanding between the governmental activities and business-type activities are reported in the government wide financial statements as *internal balances*.

### **Inventories**

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are consumed. The reserve for inventory is equal to the ending amount of inventory to indicate that a portion of the fund balance is not available for future expenditures.

Inventories in proprietary funds are valued by the first in, first out (FIFO) valuation method which approximates market. A periodic inventory is maintained for operating consumables, where the cost is capitalized when the inventory is purchased and expensed when the item is consumed.

### **Long Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### **Capital Assets**

Capital assets, which include property, plant, equipment, improvements, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. All vehicles, computers, production printers and projection equipment are capitalized regardless of the initial cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at acquisition price. See also Note 14.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Land, construction in progress, intangible assets with indefinite useful lives, and works of art are not depreciated. Infrastructure acquired subsequent to fiscal years ended after June 30, 1980 is reported. Property, plant, infrastructure, and equipment of the city are depreciated using the straight line method over the following estimated useful lives:

ASSET	YEARS
Buildings\Bldg Improvements	30-50
Infrastructure	10-50
Other Improvements	10-50
Equipment	5-10
Intangibles - Software	4-10

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The City reports deferred outflow of resources related to pensions, asset retirement obligations, and for the difference between the reacquisition price and the net carrying amount of debt that resulted from the advance refunding of general obligation debt.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflow of resources related to pensions and for property taxes levied for the current or prior years that are unavailable at year end.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Compensated Absences - Vacation and Sick Leave**

The City records a liability for accumulated unused vacation leave and salary related payments associated with the payment of vacation leave. All vacation leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

Vacation leave for permanent full-time employees accumulates monthly at annual rates ranging from 12 to 21 days unless otherwise provided for in a collective bargaining agreement. Permanent part-time employees who work at least 8 hours per week earn vacation leave on a pro-rata basis. Employees with at least 5 years and 10 years of service may convert respectively 3 and 5 days of accrued vacation leave to cash, paid through the regular payroll. At termination of employment, employees with the required length of service may receive cash payment for accumulated vacation leave up to a maximum of 30 days. The payment is based on current wages at termination. In accordance with GASB Statement 16, the City accrues a liability for vacation pay.

Sick leave for permanent full-time employees accumulates monthly at the rate of one day for each full month of service unless otherwise provided in a collective bargaining agreement. Permanent part-time employees who work at least 8 hours per week earn sick leave on a pro-rata basis. Sick leave can be accrued to a maximum of 90 days; however, no compensation for accrued sick leave is paid on termination. Accordingly, no liability is recorded for accrued sick leave.

**Unearned Revenue**

Unearned revenues are those which are measurable but not yet available under the modified accrual basis of accounting. Accordingly, they are not recorded as revenue in the fund financial statements.

**Net Position**

The difference between fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is “net position” on the government-wide, proprietary, and fiduciary fund statements, and is “fund balance” on the governmental statements.

**Fund Balance Components**

In accordance with GASB Statement 54 the fund balance amounts for governmental funds have been classified as either non-spendable, restricted, committed, assigned, or unassigned.

- **Non-spendable** fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed or assigned) and activity that is legally or contractually required to remain intact, such as the principal balance in a permanent fund.
- **Restricted** fund balance represents fund balance which has constraints placed on the use of the funds by creditors, grantors, contributors, or laws and regulations of outside governments, or through constitutional provisions or enabling legislation.
- **Committed** fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Mercer Island City Council, the City’s highest level of decision making authority. This formal action is the adoption of an ordinance.
- **Assigned** fund balance includes amounts that are constrained by the City’s intent to be used for a specific purpose but are neither restricted nor committed. Assignments of fund balance result from resolution, policy, and budget appropriation and are directed by the City Council, the City Manager, and the Finance Director. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not restricted or committed.
- **Unassigned** fund balance is the residual amount of the General Fund not included in the four categories described above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

As allowed by the Revised Code of Washington (RCW 35.34.250) the City of Mercer Island maintains a contingency reserve. According to Washington State law, the balance of the Contingency reserve is limited to 37.5 cents per \$1,000 of assessed valuation. The funding goal is to maintain a target balance of twelve and one-half percent (12.5%) of budgeted expenditures in the General Fund. The Contingency reserve is intended to address significant revenue shortfalls, and unanticipated, non-recurring, or emergency expenditures. These funds may not be used to establish or support costs that are recurring in nature. Any usage of Contingency Fund reserves must be appropriated by ordinance by the City Council. In the event the Contingency Fund reserves are used, the city shall strive to restore the fund to the twelve and one-half percent (12.5%) level within three years. Replenishment of the reserve will be a high priority of the City Council. The balance of the contingency reserve at December 31, 2020 is \$3,848,663 and is included in the un-assigned fund balance of the General Fund.

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**NOTE 2 – FUND EQUITIES****Governmental Fund Types**

The City recognizes that some of the assets occasionally carried in governmental funds are not available resources and thus are not legally available for appropriation. Accordingly, the City has reclassified ending fund balance amounts in accordance with GASB Statement No. 54. Amounts previously reported as reserved and unreserved are now reported as non-spendable, restricted, committed, assigned, or unassigned.

**Proprietary Fund Type**

Contributed capital in proprietary funds (Water Revenue, Sewer Revenue, Storm Water Management, Computer Replacement and Equipment Rental) represents contributed capital assets, or contributions for capital asset acquisition, from other funds, governments, customers and developers. Operating reserves are maintained in each of the utility funds in accordance with the City's Management and Budget Policies

**NOTE 3 - CONTINGENT LIABILITIES AND LITIGATION**

There are various contingent liabilities and pending legal actions which City officials consider routine and part of the ordinary course of business. In the opinion of City officials, adequate provision has been made for any losses which may reasonably be foreseen. In the opinion of the City's legal advisor, there are no claims or actions pending against the City whose adverse outcome would pose a threat to continued City operations, or materially alter the financial condition of the City.

**NOTE 4 – ACCOUNTING AND REPORTING CHANGES**

Effective for fiscal year 2020 reporting, the City adopted the following new standards issued by the Governmental Accounting Standards Board (GASB):

**GASB Statement No. 83**, Certain Asset Retirement Obligations. This new GASB statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. It requires that recognition occur when the liability is both incurred and reasonably estimable. Due to the COVID-19 pandemic, GASB issued GASB Statement No. 95 to postpone several newly issued GASB statements, including GASB Statement No.83. The city implemented this standard as of December 31, 2020.

**GASB Statement No. 84**, Fiduciary Activities. This new GASB statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Due to the COVID-19 pandemic, GASB issued GASB Statement No. 95 to postpone several newly issued GASB statements, including GASB Statement No.84. The city implemented this standard as of December 31, 2020.

**Change in Accounting Principle**

In reviewing the process of GASB Statement No. 84 implementation, and under the guidance of the BARS Manual, the City determined that the Agency fund used for payroll liability clearing no longer qualifies as a fiduciary fund. The assets and liabilities of the fund are reported in the General fund for fiscal year end 2020. In addition, the collection and remittance of sales tax, leasehold excise tax, and State court fines previously

*City of Mercer Island, Washington*

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accounted for in the General Fund have been reclassified as fiduciary and are now accounted for in a Custodial Fiduciary Fund.

**NOTE 5 – RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS**

**Explanation of aggregated differences between the governmental fund balance sheet and the government-wide statement of net position.**

The governmental fund balance sheet includes reconciliation between total fund balance and total net position as reported in the government-wide statement of net position. The details of the aggregated differences are presented below:

Other long-term assets, and deferred outflows of resources, are not available to pay for current period expenditures and therefore are not reported in the funds:

Net Pension Asset (NPA)	\$	5,784,441
Deferred Outflow of Resources - pensions		2,428,489
Municipal Court receivable		190,409
Deferred Outflow of Resources -refunding		7,988
Deferred Outflow of Resources -refunding		11,431
Net adjustment	\$	<u>8,422,759</u>

Capital Assets are not financial resources in governmental funds, but are reported in the Statement of Net Assets at their net depreciable value:

Capital assets not subject to depreciation		
Land	\$	92,407,073
Land infrastructure ROW		16,382,750
Construction in progress		311,493
Depreciable infrastructure (net)		17,672,495
Other depreciable assets (net)		28,606,360
Net adjustment	\$	<u>155,380,171</u>

Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

Net Pension Liability (NPL)	\$	(3,994,426)
G.O. bonds payable		(1,185,000)
Total OPEB liability		(11,721,426)
Deferred Inflow of Resources - Pension		(2,214,763)
Compensated absences		(1,457,992)
Interfund loan payable		(1,415,272)
Un-amortized premium/discount (net)		(55,468)
Interest payable on long term debt		(2,267)
Net adjustment	\$	<u>(22,046,613)</u>



**Explanation of aggregated differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances for total governmental funds and changes in net position of governmental activities as reported in the government wide statement of activities. The details of the aggregated differences are presented below:

Governmental funds report capital outlays as expenditures. The Statement of Activities allocates the cost of capital outlay over the asset useful life as depreciation.

Capital outlays	\$ 1,792,801
Depreciation Expense	<u>(3,120,685)</u>
Net adjustment	<u>\$ (1,327,884)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Municipal Court receivable	\$ (57,875)
Special Funding for LEOFF	275,323
Proceeds from Interfund Loan	<u>(1,500,000)</u>
Net adjustment	<u>\$ (1,282,552)</u>

The proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. Repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. Neither the receipt of debt proceeds nor the payment of debt principal effect the Statement of Activities, but are reported as increases and decreases in non-current liabilities in the Statement of Net Position:

Principal payment G.O. bonds	\$ 795,000
Net change in interest payable on long term debt	1,458
Amortization of premium/discounts (net)	38,731
Amortization of deferred inflow of resources (net)	<u>(9,710)</u>
Net adjustment	<u>\$ 825,478</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in total OPEB liability	\$ 376,346
Change in compensated absence payable	(66,123)
Interfund loan payable	84,728
Adjustment to Pension Expense	<u>1,815,914</u>
Net adjustment	<u>\$ 2,210,865</u>

**NOTE 6 – BUDGETARY INFORMATION**

**Final Budget**

The City Council biennially adopts a budget by ordinance establishing appropriations for City funds and may during the year authorize supplemental appropriations. Amounts shown in the accompanying financial statements represent the original budgeted amounts plus all supplemental appropriations. Revisions made to the original budget are shown below:

Fund	Original Biennial Budget	Biennium Adjustments	Final Biennial Budget
<b>General Government</b>			
General	\$ 65,266,223	\$ (780,167)	\$ 64,486,056
Contingency	1,035,704	1,295,316	2,331,020
1% Arts Fund	30,000	13,521	43,521
YFS Endowment	7,000	-	7,000
Total General Government	<u>\$ 66,338,927</u>	<u>\$ 528,670</u>	<u>\$ 66,867,597</u>
<b>Special Revenue Funds</b>			
Street	\$ 6,777,685	\$ 406,315	\$ 7,184,000
YFS Fund	5,714,419	54,808	5,769,227
Total Special Revenue	<u>\$ 12,492,104</u>	<u>\$ 461,123</u>	<u>\$ 12,953,227</u>
Total General & Special Revenue	<u><u>\$ 78,831,031</u></u>	<u><u>\$ 989,793</u></u>	<u><u>\$ 79,820,824</u></u>

**NOTE 7 – GOVERNMENTAL FUND BALANCES****Composition of Fund Balance**

It is the policy of the City that expenditures for which more than one category of fund balance could be used, that the order of use is: Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

The following shows the composition of the fund balance of the governmental funds, by major fund, for the fiscal year ended December 31, 2020:

	General	Street	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>					
Permanent fund principle	\$ -	\$ -	\$ -	\$ 285,856	\$ 285,856
Supplies inventory	120,857			-	120,857
Total Nonspendable	120,857	-	-	285,856	406,713
<b>Restricted</b>					
Capital investment in parks, buildings and open space			4,074,624	302,196	4,376,820
Drug enforcement & education				41,345	41,345
Human services				196,244	196,244
Jails	79,437			-	79,437
KC parks expansion levy funds			58,550	-	58,550
Streets, paths and trails		4,670,459	329,891	-	5,000,350
Total Restricted	79,437	4,670,459	4,463,065	539,785	9,752,746
<b>Committed</b>					
Art in public places	157,833			-	157,833
Parks, streets, paths and trails		344,012	159,816	-	503,828
Human services				162,113	162,113
LEOFF 1 long term care	603,640			-	603,640
Self insurance	40,000			-	40,000
Total Committed	801,473	344,012	159,816	162,113	1,467,414
<b>Assigned</b>					
Appropriated fund balance					-
Athletic turf field replacement			687,282	-	687,282
Capital improvements				597,190	597,190
Compensated absence	751,055			-	751,055
Debt service				23,981	23,981
LEOFF 1 long term care	1,126,984			-	1,126,984
Petty cash	1,500			-	1,500
Self insurance	69,750			-	69,750
Streets, paths and trails		99,684		-	99,684
Technology and equipment	80,302			550,639	630,942
Total Assigned	2,029,590	99,684	687,282	1,171,810	3,988,366
<b>Unassigned</b>					
	11,455,494	-	-	-	11,455,494
<b>Total Fund Balance</b>	<b>\$ 14,486,851</b>	<b>\$ 5,114,155</b>	<b>\$ 5,310,163</b>	<b>\$ 2,159,564</b>	<b>\$ 27,070,733</b>

**NOTE 8 - DEPOSITS AND INVESTMENTS****Deposits**

The City of Mercer Island's bank deposits are covered by the Federal Deposit Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). All deposits not covered by the FDIC are covered by the PDPC.

**Cash and Deposits**

Cash on hand	1,500
FDIC or PDPC Insured Bank Deposits	\$ 1,402,022
<b>Total</b>	<b>\$ 1,403,522</b>

**Investments**

All surplus cash is invested in accordance with an investment policy approved by the Mercer Island City Council (January 2012). State law defines eligible investments to only those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.250, and 43.84.080). Eligible investments which the City held at year end include Government Sponsored Enterprises, Washington State Local Government Investment Pool, obligations of state and local government agencies, and FDIC and PDPC Insured Bank Deposits. Investments are carried at fair market value in accordance with GASB 31.

**Investments Measured at Amortized Cost**

The City of Mercer Island is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with RCW 43.250. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at [www.tre.wa.gov](http://www.tre.wa.gov).

The LGIP is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP has no limitations or restrictions on withdrawals.

**Investments Measured at Amortized Cost**

Washington State Local Government Investment Pool	\$ 55,941,598
<b>Total</b>	<b>\$ 55,941,598</b>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City of Mercer Island would not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's Investment Policy requires that all security transactions entered into by the City of Mercer Island will be conducted on a delivery-versus-payment (DVP) basis and will be held in safekeeping by a third-party custodian. All of the City's securities at year end were held in safekeeping by a third-party custodian and are not exposed to custodial credit risk.

### Credit Risk

Credit risk is the chance that an issuer will fail to pay principal or interest in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause the price of the investment to decline. The City's investment policy applies the prudent person standard; investments will be made with judgment and care, under circumstances then prevailing, which a person of prudence, discretion and intelligence would use in the management of their own affairs, not for speculation, but for investment purposes. The Washington State Local Government Investment Pool is a 2a7-like pool and is unrated. The credit ratings on securities held by the City of Mercer Island on December 31, 2019, are listed below:

Investment Type	Ratings		Fair Value
	Moody's	S&P	
<b>Government Sponsored Enterprises</b>			
Federal Home Loan Bank	AAA	AA+	\$ 1,037,820
Federal National Mortgage Assn	AAA	AA+	1,007,160
U.S. Treasury Notes	AAA	AA+	1,013,280
<b>Total</b>			<b>\$ 3,058,260</b>

### Concentration of Credit Risk

Concentration of credit risk is the risk associated with a lack of diversification or having too much invested in a few individual issues. It is the City's policy to diversify its investments by security type and institution. The City's policy is to assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency. With the exception of U.S. Treasury securities and authorized pools, no more than 30% of the entity's total investment portfolio will be invested in a single security type, issuer or financial institution, and no more than 5% invested with State or political subdivision securities. Detail information on concentration risk is covered in the City of Mercer Island's Investment Policy.

Investment Type	Fair Value	Cost Based Measure	Percent of Total
<b>Government Sponsored Enterprises</b>			
Federal Home Loan Bank	\$ 1,037,820		1.7%
Federal National Mortgage Assn	1,007,160		1.7%
U.S. Treasury Notes	1,013,280		1.7%
Cash on hand		1,500	0.0%
FDIC or PDPC Insured Bank Deposits		1,402,022	2.3%
Washington State LGIP		\$ 55,941,598	92.6%
<b>Total</b>	<b>\$ 3,058,260</b>	<b>\$ 57,345,120</b>	
Total Cash, Deposits and Investments		<b>\$ 60,403,380</b>	

\* Of the total, \$890,118 is cash and investments of Fiduciary Funds.

### Interest Rate Risk

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's policy limits investments in securities to those maturing no more than five years from the date of purchase.

The Washington State Local Government Investment Pool is an unrated 2a-7 like pool as defined by GASB 31, accordingly participants balances are not subject to interest rate risk as the weighted average maturity of the portfolio will not exceed 90 days. The Average Days to Maturity on December 31, 2020, was 37 days.

City of Mercer Island, Washington

The following schedule presents the investments and related maturities as of December 31, 2020.

Investment Type	Fair Value	Maturity (in Years)	
		Less Than 1	1-5
Government Sponsored Enterprises	\$ 3,058,260	\$ 2,020,440	\$ 1,037,820
Municipal Security	-	-	-
<b>Total</b>	<b>\$ 3,058,260</b>	<b>\$ 2,020,440</b>	<b>\$ 1,037,820</b>

**Fair Value Hierarchy**

Securities classified as Level 1 in the fair value hierarchy are valued using prices quoted in active markets for identical securities, Level 2 securities are valued using observable, and Level 3 securities are valued using unobservable inputs. U.S. Government Sponsored Enterprise securities classified in Level 2 are valued using quoted prices for similar securities and interest rates. The level of fair value measurement is based on the lowest level of significant input for the security type in its entirety. There are no Level 1 or Level 3 security classifications to report. Cash on hand, bank deposits, cash held by other entities and the Local Government Investment Pool (LGIP) are valued using a cost based measure. The following schedule presents the investments and method of fair value measurement as of December 31, 2020:

Investment Type	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Government Sponsored Enterprises	\$ 3,058,260		\$ 3,058,260	
Municipal Security	-		-	
<b>Total</b>	<b>\$ 3,058,260</b>	<b>\$ -</b>	<b>\$ 3,058,260</b>	<b>\$ -</b>

**NOTE 9 – PROPERTY TAXES**

The King County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Taxes are levied annually on January 1 on property value listed as of the prior May 31. Assessed values are established by the County Assessor at 100 percent of fair market value. A reevaluation of all property is required every two years. Taxes are due in two equal installments on April 30 and October 31. Collections are distributed on a daily basis. The amount of taxes receivable at year end are recorded as receivables and offset by deferred revenue. No allowance for uncollectable taxes is established because delinquent taxes are considered fully collectable.

The City is permitted by law to levy up to \$3.10000 per \$1,000 of assessed valuation for general governmental services. This amount may be reduced for any of the following three reasons:

1. The Washington State Constitution limits the total regular property taxes to 1 percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts (except for ports and utility districts) exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit.
2. Washington State law in RCW 84.55.010 limits the growth of regular property taxes to the lesser of inflation (as measured by the Implicit Price Deflator) or 101%, after adjustments. Inflation can be expected to exceed one percent; consequently, the levy lid will normally be 101%.
3. The City is allowed by law in RCW 84.55.050 to ask the voters to approve increases in excess of the 101% limit. A simple majority of voters can approve a “levy lid lift” that would increase the base for the following year. That base can be increased either forever, for a limited period of time, or for a particular purpose

Special levies approved by the voters are not subject to the above limitations.

For 2020 the City's tax levy was \$0.21620 per \$1,000 on a total assessed valuation of \$15,119,808,629 for a total levy of \$13,934,733. The total property tax levy includes the regular statutory levy and special levies as detailed below:

<b>General Levy</b>	
Regular Statutory Levy	\$ 12,281,223
<b>LID Lifts</b>	
Lid Lift - 2008	964,630
Lid Lift - 2012	688,880
<b>Total Property Tax Levy 2020</b>	<b><u>\$ 13,934,733</u></b>

**NOTE 10 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Interfund Receivable/Payable**

At their regular meeting of September 15, 2020 the Mercer Island City Council authorized an interfund loan in the amount not to exceed \$750,000 from the Water Utility Fund to the General Fund, and an interfund loan in the amount not to exceed \$750,000 from the Sewer Utility Fund to the General Fund. The purpose of the interfund loans are to finance costs related to potential litigation to enforce the City’s terms of the 2017 Settlement Agreement with Sound Transit. The loans were initiated in November 2020 with a projected three-year repayment schedule with one-percent interest. The General Fund made one monthly installment payment to both the Water Fund and the Sewer Fund in December 2020.

		Due From	
Due To:		General Fund	Total
	Water Fund	707,636	707,636
	Sewer Fund	707,636	707,636
	<b>Total</b>	<b>\$ 1,415,272</b>	<b>\$ 1,415,272</b>

**Transfers In and Transfers Out**

During the course of normal operations, the City has numerous transactions between City funds. Reimbursements to a fund for expenditures previously paid that are more properly applicable to another fund are recorded as expenditures in the reimbursing fund and a reduction of expenditure in the fund receiving reimbursement. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Fund	Transfer In	Transfer Out
Major Governmental Funds		
General Fund		\$ 635,567
Street Fund		10,373
Capital Improvement Fund	47,738	135,600
Non-Major Governmental Funds		
Youth & Family Services Fund	250,000	
Non-Voted Bond Fund	225,800	
Technology and Equipment Fund	269,814	
Long Term Parking		
Internal Service Fund		
Equipment Rental (Fleet) Fund	199,228	
Computer Replacement Fund	45,367	
Proprietary Funds		
Water Fund		24,054
Sewer Fund		219,613
Stormwater Fund		12,740
<b>Total Transfers In/Out</b>	<b>\$ 1,037,947</b>	<b>\$ 1,037,947</b>



*City of Mercer Island, Washington*

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Transfers out of the General fund include the \$250,000 in contingency fund support of Youth and Family Services Department due to the closure of the Thrift Shop and \$250,000 in funding for future technology and equipment purchases. Transfers out of the business type funds were to cover the utility portion of capital reinvestment costs.

City of Mercer Island, Washington

**NOTE 11 - LONG-TERM DEBT**

The City of Mercer Island issues general obligation bonds (G.O.) to finance large capital improvement projects. General obligation bonds are a direct obligation of the City, which pledges its full faith and credit for repayment. General obligation bonds have been issued for both general government and business-type activities and are being repaid from the applicable resources. There are two kinds of G.O. bonds: (1) non-voted or councilmanic, which the City can issue up to a specified limit without a vote of the people; and (2) voter-approved bonds, which require a vote of the people because a special (excess) property tax levy is needed for bond repayment.

At the close of 2020 the City has five Councilmanic bond issues outstanding. The City periodically reviews existing debt outstanding to determine if more favorable long term financing terms exist that would indicate savings to be gained by refunding.

**General Obligation Bonds, Issuances, Redemptions, and Balances Outstanding**

	Date of Issue	Date of Final Maturity	Interest Rates	Amount Originally Issued	Beginning Unmatured Debt 1/1/20	Amount Issued	Current Period Reductions	Ending Unmatured Debt 12/31/20
2011 LTGO	3/23/11	12/1/30	2.5/4.25	1,500,000	955,000		70,000	885,000
2013 LTGO	2/6/13	12/1/21	1.0/2.0%	4,940,000	1,195,000		590,000	605,000
2013 LTGO	2/6/13	12/1/23	1.0/2.0%	1,140,000	530,000		125,000	405,000
2017 LTGO	8/17/17	12/1/22	2.0 / 4.0%	335,000	255,000		80,000	175,000
2017 LTGO	8/17/17	12/1/29	1.95 / 4.0%	5,870,000	5,385,000		455,000	4,930,000
<b>Total GO Bonds</b>				<b>\$ 13,785,000</b>	<b>\$ 8,320,000</b>	<b>\$ -</b>	<b>\$ 1,320,000</b>	<b>\$ 7,000,000</b>

\*Councilmanic Bonds

The 2013 LTGO Bond issuance for financing the constructing and equipping of Fire Station 92 and additional Fire apparatus is presented in the Statement of Net Position net of the related premium. The total bonds payable plus premiums net of amortization are as follows:

Bonds outstanding	\$ 605,000
Plus un-amortized bond premium	<u>27,073</u>
Bonds outstanding net	<u>\$ 632,073</u>

Proceeds from the 2013 LTGO Refunding Bonds were used to advance refund the 2004 CCMV construction bonds. The Refunding bonds are presented in the Statement of Net Position net of the related premium. The total bonds payable plus premiums net of amortization are as follows:

	\$ 405,000
Plus un-amortized bond premium	<u>15,238</u>
Bonds outstanding net	<u>\$ 420,238</u>

The 2011 LTGO bond issuance for capital improvements to the First Hill neighborhood water system is presented in the business type Statement of Net Position net of the related premium. The total bonds payable plus the unamortized bond premium is as follows:

City of Mercer Island, Washington

Bonds outstanding	\$ 885,000
Plus un-amortized bond premium	<u>10,406</u>
Bonds outstanding net	<u>\$ 895,406</u>

Proceeds from the 2017 LTGO Refunding Bonds were used to advance refund a portion of the 2013 South Mercer Playfields bonds. The refunding bonds are presented in the Statement of Net Position net of the related premium. The total bonds payable plus premiums net of amortization are as follows:

Bonds outstanding	\$ 175,000
Plus un-amortized bond premium	<u>13,156</u>
Bonds outstanding net	<u>\$ 188,156</u>

Proceeds from the 2017 LTGO Refunding Bonds were used to advance refund a portion of the 2013 Sewer Lake Line bonds. The refunding bonds are presented in the business type Statement of Net Position net of the related premium. The total bonds payable plus premiums net of amortization are as:

Bonds outstanding	\$4,930,000
Plus un-amortized bond premium	<u>323,552</u>
Bonds outstanding net	<u>\$5,253,552</u>

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2021	820,000	27,200	555,000	187,105
2022	225,000	9,100	565,000	165,280
2023	140,000	2,800	590,000	142,961
2024	-	-	615,000	119,661
2025-2030	-	-	3,490,000	286,803
<b>TOTAL</b>	<b>\$1,185,000</b>	<b>\$ 39,100</b>	<b>\$ 5,815,000</b>	<b>\$ 901,810</b>

**Advance Refunding**

In 2013 the City advance refunded a portion (\$1.135 million) of the 2004 LTGO Bonds to reduce its total combined debt service payments over the next ten years by \$180 thousand and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$170.3 thousand. The advance refunding also resulted in a difference between the net reacquisition price (funds deposited in escrow to refund old bonds) and the net carrying amount of the old debt of \$51,441. This amount, reported in the statement of net position as a deferred outflow of resources, will be charged to operations through the year 2023 using the effective interest method.

In 2017 the City advance refunded a portion (\$6.28 million) of the 2009 LTGO Bonds to reduce its total combined debt service payments over the next twelve years by \$659.4 thousand and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$585.5 thousand. The advance refunding also resulted in a difference between the net reacquisition price (funds deposited in escrow to refund old bonds) and the net carrying amount of the old debt of \$356,748. This amount, reported in the

City of Mercer Island, Washington

statement of net position as a deferred outflow of resources, will be charged to operations through the year 2029 using the effective interest method.

**Public Works Trust Fund Debt, Issuances, Redemptions and Balances Outstanding**

	Date of Issue	Date of Final Maturity	Interest Rate	Amount Originally Issued	Beginning Unmatured Debt 1/1/2020	Amount Issued	Current Period Reductions	Ending Unmatured 12/31/2020
Sewer Lake Line	1/31/05	7/1/26	1.5%	7,000,000	2,819,302		402,757	2,416,545
<b>Total PWTF Debt</b>				<b>\$7,000,000</b>	<b>\$ 2,819,302</b>	<b>\$ -</b>	<b>\$ 402,757</b>	<b>\$ 2,416,545</b>

The annual debt service requirements to maturity for public works trust fund loans are as follows:

PWTF - Business Type Activities			
Year	Principal	Interest	Total
2021	402,757	12,083	414,840
2022	402,757	10,069	412,826
2023	402,757	8,055	410,812
2024	402,757	6,041	408,799
2025	402,757	4,028	406,785
2026	402,757	2,014	404,771
<b>Total</b>	<b>\$ 2,416,545</b>	<b>\$ 42,290</b>	<b>\$ 2,458,834</b>

There are a number of other limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

**NOTE 12 - LEASES****Capital Leases**

In 2012 the Mercer Island City Council authorized a contract with Pierce Manufacturing to purchase one Velocity Pumper Truck through a Lease Purchase financing agreement with Municipal Asset Management Inc. in the amount of \$619,546.50. The lease agreement qualifies as capital lease for accounting purposes.

In 2015 the Mercer Island City Council authorized a contract with Pierce Manufacturing to purchase one Midi Pumper Truck through a Lease Purchase financing agreement with Municipal Asset Management Inc. in the amount of \$341,295. The lease agreement qualifies as capital lease for accounting purposes.

In 2019 the Mercer Island City Council authorized a contract with Pierce Manufacturing to purchase one Velocity Pumper Truck through a Lease Purchase financing agreement with Municipal Asset Management Inc. in the amount of \$732,778. The lease agreement qualifies as capital lease for accounting purposes.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Pierce Velocity Fire Pumper	\$ 517,513
Pierce Velocity Fire Pumper	517,513
Pierce Midi Fire Pumper	251,982
Pierce Velocity Fire Pumper	619,547
Pierce Midi Fire Pumper	333,286
Pierce Velocity Fire Pumper	732,778
Less Accumulated Depreciation	(1,236,406)
<b>Total</b>	<b>\$ 1,736,212</b>

The future minimum lease obligation payments as of December 31, 2020 are as follows:

Year	Principal	Interest	Total
2021	181,674	28,397	210,071
2022	187,008	23,063	210,071
2023	121,788	17,567	139,355
2024	125,696	13,659	139,355
2025	86,965	9,622	96,587
2026-2027	183,328	9,846	193,174
<b>Total</b>	<b>\$ 886,460</b>	<b>\$ 102,154</b>	<b>\$ 988,614</b>

City of Mercer Island, Washington

**NOTE 13 - CHANGES IN LONG TERM LIABILITIES**

Long term liability activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$ 1,980,000	\$ -	\$ (795,000)	\$ 1,185,000	\$ 820,000
Capital lease	1,062,957	-	(176,497)	886,460	181,675
Deferred amounts:					
Issuance discounts	-	-	-	-	
For issuance premiums	94,197	-	(38,731)	55,466	
Total Bonds Payable	3,137,154	-	(1,010,228)	2,126,926	1,001,675
Net Pension Liability	4,759,901	-	(593,722)	4,166,179	
Total OPEB liability	12,097,772	-	(376,346)	11,721,426	
Compensated absences	1,415,948	75,570	-	1,491,518	
Total governmental activity long term liabilities	\$ 21,410,775	\$ 75,570	\$ (1,980,296)	\$ 19,506,047	\$ 1,001,675
<b>Business Type Activities</b>					
Bonds payable	\$ 6,340,000	\$ -	\$ (525,000)	\$ 5,815,000	\$ 555,000
Issuance discounts	-	-	-	-	
For issuance premiums	370,951	-	(36,990)	333,961	
PWTF Loans	2,819,301	-	(402,757)	2,416,544	402,757
Asset Retirement Obligation	-	92,000	-	92,000	
Net Pension Liability	881,292	66,165	-	947,458	
Compensated absences	157,802	32,341	-	190,143	
Total business type activity long term liabilities	\$ 10,569,345	\$ 190,506	\$ (964,748)	\$ 9,795,103	\$ 957,757

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$33,526 of internal service funds compensated absences Liability are included in the above amounts. Compensated absences for governmental activities are liquidated in the governmental fund from which the employee's salary is paid.

**NOTE 14 – CAPITAL ASSETS****Changes in Capital Assets – Governmental Activities**

Asset Class	Balance 12/31/2019	Reclass	Additions	Deletions	Balance 12/31/2020
Capital assets not being depreciated					
Land	\$ 92,407,073				\$ 92,407,073
Land infrastructure	16,382,750				16,382,750
Construction in progress	181,737		31,157	(150,777)	62,116
Construction in progress - infrastructure	0		280,534	-	280,534
<b>Total capital assets not being depreciated</b>	<b>\$ 108,971,560</b>	<b>\$ -</b>	<b>311,691</b>	<b>(150,777)</b>	<b>\$ 109,132,473</b>
Capital assets being depreciated					
Buildings	\$ 30,141,306				\$ 30,141,306
Infrastructure	39,636,718		931,540		40,568,258
Improvements	17,284,514			(81,045)	17,203,469
Machinery & Equipment	2,539,355		491,017	(113,432)	2,916,941
Machinery & Equipment - IS	11,127,038		807,928	(187,604)	11,747,362
Intangibles	3,101,427		240,487	(180,462)	3,161,453
<b>Total capital assets being depreciated</b>	<b>\$ 103,830,358</b>	<b>\$ -</b>	<b>2,470,972</b>	<b>(562,542)</b>	<b>\$ 105,738,788</b>
Less accum depreciation For:					
Buildings	\$ (11,203,433)		\$ (753,304)		\$ (11,956,738)
Infrastructure	(21,679,560)		(1,216,203)		(22,895,763)
Improvements	(8,200,765)		(874,739)	81,045	(8,994,460)
Machinery & Equipment	(2,078,037)		(122,206)	113,432	(2,086,811)
Machinery & Equipment - IS	(6,624,887)		(860,574)	184,200	(7,301,261)
Intangibles	(1,805,030)		(154,232)	180,462	(1,778,800)
<b>Total accum depreciation</b>	<b>\$ (51,591,711)</b>	<b>\$ -</b>	<b>\$ (3,981,258)</b>	<b>\$ 559,138</b>	<b>\$ (55,013,832)</b>
<b>Total net depreciable capital assets</b>	<b>\$ 52,238,647</b>	<b>\$ -</b>	<b>\$ (1,510,286)</b>	<b>\$ (3,405)</b>	<b>\$ 50,724,956</b>
<b>Total governmental capital assets (net)</b>	<b>\$ 161,210,207</b>	<b>\$ -</b>	<b>\$ (1,198,596)</b>	<b>\$ (154,182)</b>	<b>\$ 159,857,430</b>

**Asset Useful Lives**

Asset Class	Estimated Service Life
Buildings	30-50 years
Infrastructure	10-50 years
Improvements Other Than Buildings	10-50 years
Equipment	5-10 years

## City of Mercer Island, Washington

**Changes in Capital Assets - Business Type Activities**

Asset Class	Balance 12/31/2019	Additions	Reductions	Balance 12/31/2020
Capital asset not being depreciated				
Land	\$ 203,992	\$ -	\$ -	\$ 203,992
Construction in progress	606,299	186,400	-	792,699
Total capital asset not being depreciated	810,290	186,400	-	996,690
Capital assets being depreciated				
Intangibles	\$ 18,129	\$ -	\$ -	\$ 18,129
Buildings	430,048	-	-	430,048
Improvements (other than buildings)	90,412,420	2,036,413	-	92,448,833
Machinery & Equipment	1,616,455	15,419	-	1,631,873
Accumulated depreciation	(43,193,339)	(1,963,084)	-	(45,156,424)
Total net depreciable capital assets	\$ 49,283,713	\$ 88,747	\$ -	49,372,460
<b>Total business type capital assets - net</b>	<b>\$ 50,094,003</b>	<b>\$ 275,147</b>	<b>\$ -</b>	<b>\$ 50,369,150</b>

**Depreciation Expense**

Depreciation was charged to functions/programs of the primary government as follows:

**Governmental Activities**

General government	\$ 180,133
Public safety	337,613
Physical environment	90,888
Transportation	1,246,235
Economic environment	50,805
Mental health	752
Culture and recreation	1,214,259
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets	860,574
Total depreciation expense - governmental activities	<u>\$ 3,981,258</u>

**Business Type Activities**

Water	\$ 713,887
Sewer	1,021,173
Stormwater	228,024
Total depreciation expense - business type activities	<u>\$ 1,963,084</u>

**Construction Obligations**

The City has active capital improvement projects as of December 31, 2020. There are no material commitments associated with these projects.



**NOTE 15 – ASSET RETIREMENT OBLIGATIONS**

For the year ending December 31, 2020, the City implemented GASB Statement No. 83 Certain Retirement Obligations, which provides accounting and reporting guidance on asset retirement obligations. This new standard requires the reporting of long-term liabilities not previously reported. The City has the following known asset retirement obligations.

**Emergency Water Well**

The City is obligated by Washington Administrative Code (WAC) to take specific actions to decommission a water well in accordance with section WAC 173-160-381. The Code requires that the City take certain steps to permanently abandon a cased well including removal of liners, debris, sediments and obstruction; perforate and seal casings; and fill the casings. Engineering estimates set the cost of decommissioning the Water Utility emergency well at \$92,000 inclusive of sales tax and project management. Accordingly, a long term liability and deferred outflow of resources has been accounted for in the Water Utility Fund for the estimated cost of asset retirement obligations for the emergency well. The deferred outflow of resources will be amortized over the well's remaining useful life of approximately 27 years.

**Underground Fuel Tank**

The City is obligated by Washington Administrative Code (WAC) to take specific actions when retiring underground storage tanks (UST's) in accordance with section WAC 173-360A-0810. The Code requires that the City take certain steps to permanently take USTs out of service including the removal, transportation and disposal of liquid, sludge, hazardous waste, as well as removal or capping of tanks and piping. Mercer Island currently has one underground fuel tank with a remaining useful life ranging from 0 to 5 years. The ARO for the underground tank is currently unknown. A site assessment is currently ongoing to determine if the underground tank is leaking fuel which would indicate the need for pollution remediation. If remediation steps are required, in addition to retirement costs, the estimated liability will be reported under GASB 49.

**Aquatic lease with Department of Natural Resources**

The City is obligated by a lease agreement with the Department of Natural Resources (DNR) to remove all improvements to leased park land at the termination of the lease. Improvements include public buildings, public restrooms, waterfront plaza, fixed boat dock and pilings, fixed fishing pier, grated floating dock, grated steel gangway, bulkhead, treated pilings at swim beach, stormwater outfalls, recreation trails, and in-water buoys. The potential for termination of this lease is viewed as remote. The estimated cost of the asset retirement obligation liability for DNR aquatic lands is currently unknown, as such no liability is accrued on the citywide statement of net position.

**NOTE 16 - RISK MANAGEMENT**

The City of Mercer Island is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 162 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$21 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$25 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA

**NOTE 17 - PENSION PLANS**

The following table represents the aggregate pension amounts for all plans which are subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2020:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$(5,113,636)
Pension assets	5,784,441
Deferred outflows of resources	2,824,071
Deferred inflows of resources	(2,662,251)
Pension expense/expenditures	107,275

**State Sponsored Pension Plans**

Substantially all of the City of Mercer Island's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems  
 Communications Unit  
 P.O. Box 48380  
 Olympia, WA 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

**Public Employees' Retirement System (PERS)**

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

**PERS Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

**Contributions**

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates:</b>	<b>Employer</b>	<b>Employee*</b>
January – August 2020:		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.86%</b>	<b>6.00%</b>
September – December 2020:		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.97%</b>	<b>6.0%</b>

\* For employees participating in JBM, the contribution rate was 12.26%

**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member’s average final compensation (AFC) times the member’s years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member’s 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined

contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

### **Contributions**

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

<b>PERS Plan 2/3</b>		
<b>Actual Contribution Rates:</b>	<b>Employer 2/3</b>	<b>Employee 2*</b>
January – August 2020:		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Variable
<b>Total</b>	<b>12.86%</b>	<b>7.90%</b>
September – December 2020:		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Variable
<b>Total</b>	<b>12.97%</b>	<b>7.90%</b>

\* For employees participating in JBM, the contribution rate was 19.75%.

The City of Mercer Islands' actual contributions to the plan were \$1,451,758 for the year ended December 31, 2020.

### **Public Safety Employees' Retirement System (PSERS)**

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006. To be eligible for membership, an employee must work on a full-time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS membership includes:

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30 2006; and

City of Mercer Island, Washington

- Employees hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

PSERS covered employers include:

- Certain State of Washington agencies (Department of Corrections, Department of Natural Resources, Gambling commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol),
- Washington State Counties,
- Washington State Cities (except for Seattle, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) for each year of service. The AFC is based on the member’s 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member’s age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before age 60 is considered an early retirement. PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a three percent per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

**Contributions**

The **PSERS Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The Plan 2 employer rates include components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2020 were as follows:

PSERS Plan 2		
Actual Contribution Rates:	Employer	Employee
January – August 2020:		
PSERS Plan 2	7.20%	7.20%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.14%</b>	<b>7.20%</b>
September - December 2020:		
PSERS Plan 2	7.20%	7.20%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.25%</b>	<b>7.20%</b>

The City of Mercer Islands' actual contributions to the plan were \$10,124 for the year ended December 31, 2020.

#### **Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)**

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

**LEOFF Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

#### **Contributions**

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2015. Employers paid only the administrative expense of 0.18 percent of covered payroll.

**LEOFF Plan 2** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

#### **Contributions**

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate includes an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.44% in 2020.

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The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
January – December 2020		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.33%</b>	<b>8.59%</b>

The City of Mercer Islands' actual contributions to the plan were \$445,627 for the year ended December 31, 2020.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2020, the state contributed \$76,297,643 to LEOFF Plan 2. The amount recognized by the City of Mercer Island as its proportionate share of this amount is \$2,852,340.

#### **Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2020 with a valuation date of June 30, 2019. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Experience Study* and the *2019 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2020. Plan liabilities were rolled forward from June 30, 2019, to June 30, 2020, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

Mortality rates were developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- OSA updated its demographic assumptions based on the results of its latest demographic experience study. See OSA's 2013-2018 Demographic Experience Study at [leg.wa.gov/osa](http://leg.wa.gov/osa).
- OSA updated the Early Retirement Factors and Joint-and-Survivor factors used in its model to match the ones implemented by DRS on October 1, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.



- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA simplified its modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2.
- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. See [leg.wa.gov/osa](http://leg.wa.gov/osa) for more information on this method change.

### Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

### Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

### Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.2%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	<b>100%</b>	

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**Sensitivity of NPL**

The table below presents the City of Mercer Island's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the City of Mercer Island's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$3,609,843	\$2,881,980	\$2,247,208
PERS 2/3	8,360,358	1,343,619	(4,434,669)
PSERS 2	19,229	(1,766)	(18,383)
LEOFF 1	(1,075,944)	(1,321,881)	(1,534,658)
LEOFF 2	(88,310)	(4,460,794)	(8,040,985)

**Pension Plan Fiduciary Net Position**

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2020, the City of Mercer Island reported a total pension liability of \$4,225,599 and a total pension asset of \$5,784,441 for its proportionate share of the net pension asset and liabilities of State sponsored plans as follows:

	Liability (or Asset)
PERS 1	\$2,881,980
PERS 2/3	1,343,619
PSERS 2	(1,766)
LEOFF 1	(1,321,881)
LEOFF 2	(4,460,794)

The amount of the liability/ (asset) reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City of Mercer Island. The amount recognized by the City as its proportionate share of the net pension liability/(asset), the related State support, and the total portion of the net pension liability/(asset) that was associated with the City were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	(1,321,881)	(4,460,794)
State's proportionate share of the net pension (asset) associated with the employer	(8,941,169)	(2,852,340)
TOTAL	(10,263,049)	(7,313,133)

At June 30, the City's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/2019	Proportionate Share 6/30/2020	Change in Proportion
PERS 1	0.000000%	0.000000%	0.000000%
PERS 1 UAAL	0.088564%	0.081630%	-0.006934%
PERS 2/3	0.113624%	0.105057%	-0.008567%
PSERS 2	0.015836%	0.012837%	-0.002999%
LEOFF 1	0.070658%	0.069996%	-0.000662%
LEOFF 2	0.215920%	0.218682%	0.002762%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2019. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2019, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2020, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2020, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2019, with update procedures used to roll forward the total pension liability to the measurement date.

### Pension Expense

For the year ended December 31, 2020, the City of Mercer Island recognized pension expense as follows:

	Pension Expense
PERS 1	(\$143,485)
PERS 2/3	83,892
PSERS 2	3,887
LEOFF 1	(56,209)
LEOFF 2	225,955
Firefighter Pension Fund	(221,315)
TOTAL	(107,275)

City of Mercer Island, Washington

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PERS1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments		\$16,046
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	278,216	
<b>TOTAL</b>	<b>\$278,216</b>	<b>\$16,046</b>

<b>PERS 2/3</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$480,996	\$168,388
Net difference between projected and actual investment earnings on pension plan investments		68,236
Changes of assumptions	19,137	917,808
Changes in proportion and differences between contributions and proportionate share of contributions	262,027	519,022
Contributions subsequent to the measurement date	453,149	
<b>TOTAL</b>	<b>\$1,215,309</b>	<b>\$1,673,454</b>

<b>PSERS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$2,427	\$132
Net difference between projected and actual investment earnings on pension plan investments	94	
Changes of assumptions	9	3,339
Changes in proportion and differences between contributions and proportionate share of contributions	67	860
Contributions subsequent to the measurement date	3,417	
<b>TOTAL</b>	<b>\$6,014</b>	<b>\$4,331</b>

<b>LEOFF 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments		\$13,827
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
<b>TOTAL</b>		<b>\$13,827</b>

## City of Mercer Island, Washington

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$617,227	\$79,116
Net difference between projected and actual investment earnings on pension plan investments		49,719
Changes of assumptions	6,462	690,728
Changes in proportion and differences between contributions and proportionate share of contributions	428,611	135,029
Contributions subsequent to the measurement date	240,069	
TOTAL	\$1,292,366	\$954,593

State Sponsored Plans & Firefighters Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,100,648	\$247,636
Net difference between projected and actual investment earnings on pension plan investments	32,259	147,828
Changes of assumptions	25,608	1,611,876
Changes in proportion and differences between contributions and proportionate share of contributions	690,704	654,911
Contributions subsequent to the measurement date	974,851	
TOTAL	\$2,824,071	\$2,662,251

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended December 31, 2020

Changes in proportion and difference between contributions and proportionate share of contributions								
Recognition Period (Years)	PERS 1	PERS 2/3		PSERS 2		LEOFF 1	LEOFF 2	
	N/A	Inflows	Outflows	Inflows	Outflows	N/A	Inflows	Outflows
Year								
2021	-	(94,844)	68,820	(125)	19	-	(20,895)	83,278
2022	-	(94,844)	68,820	(115)	6	-	(17,438)	46,667
2023	-	(94,844)	68,820	(76)	6	-	(17,438)	46,667
2024	-	(94,844)	47,807	(76)	6	-	(17,438)	46,667
2025	-	(94,844)	7,760	(76)	6	-	(17,438)	46,667
Thereafter	-	(44,803)	-	(392)	25	-	(44,384)	158,666
Total Deferred (Inflows)/Outflows	\$ -	\$ (519,022)	\$ 262,027	\$ (860)	\$ 67	\$ -	\$ (135,029)	\$ 428,611

The recognition period for each plan is equal to the average of the expected remaining service lives of all employees provided with pensions through the pension plan, which was determined at the beginning of the measurement period.

## City of Mercer Island, Washington

For the fiscal year ended June 30, 2020

Differences between expected and actual experience								
Recognition Period (Years)	PERS 1	PERS 2/3		PSERS 2		LEOFF 1	LEOFF 2	
		Inflows	Outflows	Inflows	Outflows		Inflows	Outflows
Year								
2021	-	(40,092)	97,264	(16)	566	-	(11,987)	79,601
2022	-	(40,092)	97,264	(16)	200	-	(11,987)	68,966
2023	-	(40,092)	97,264	(16)	196	-	(11,987)	68,966
2024	-	(40,092)	74,425	(16)	196	-	(11,987)	68,966
2025	-	(8,018)	64,637	(16)	196	-	(11,987)	68,966
Thereafter	-	-	50,142	(54)	1,074	-	(19,180)	261,758
Total Deferred (Inflows)/Outflows	\$ -	\$ (168,388)	\$ 480,996	\$ (132)	\$ 2,427	\$ -	\$ (79,116)	\$ 617,224

The recognition period for each plan is equal to the average of the expected remaining service lives of all employees provided with pensions through the pension plan, which was determined at the beginning of the measurement period.

For the fiscal year ended June 30, 2020

Net differences between projected and actual earnings on plan investments					
Year	PERS 1	PERS 2/3	PSERS	LEOFF 1	LEOFF 2
2022	(2,290)	(19,567)	(1)	(2,573)	(14,154)
2023	22,218	137,581	277	14,031	96,004
2024	36,842	257,571	545	24,073	179,233
2025	-	-	-	-	-
Thereafter	-	-	-	-	-
Total Deferred (Inflows)/Outflows	\$ (16,046)	\$ (68,236)	\$ 94	\$ (13,827)	\$ (49,719)

The recognition period is a closed, five-year period for all plans.

For the fiscal year ended June 30, 2020

Changes in assumptions								
Recognition Period (Years)	PERS 1	PERS 2/3		PSERS 2		LEOFF 1	LEOFF 2	
		Inflows	Outflows	Inflows	Outflows		Inflows	Outflows
Year								
2021	-	(174,594)	3,844	(323)	4	-	(86,623)	972
2022	-	(174,594)	3,844	(323)	2	-	(86,623)	742
2023	-	(174,594)	3,844	(323)	0	-	(86,623)	742
2024	-	(174,594)	3,663	(323)	0	-	(86,623)	742
2025	-	(108,724)	3,585	(323)	0	-	(86,623)	742
Thereafter	-	(110,708)	358	(1,722)	2	-	(257,614)	2,523
Total Deferred (Inflows)/Outflows	\$ -	\$ (917,808)	\$ 19,137	\$ (3,339)	\$ 9	\$ -	\$ (690,728)	\$ 6,462

The recognition period for each plan is equal to the average of the expected remaining service lives of all employees provided with pensions through the pension plan, which was determined at the beginning of the measurement period.

## Local Government Pension Trust Fund - Firefighters Pension Fund

### Plan Description

In addition to the two statewide retirement systems, the City is the administrator of a Firemen's Pension Plan, which is shown as a pension trust fund in the financial reports of the City. The Firemen's Pension Plan (FPP) is a closed, single-employer defined benefit pension plan established in conformance with Revised Code of Washington (RCW) 41.18. The Plan provided retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members and beneficiaries. Retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Membership is limited to firefighters employed prior to March 1, 1970 when the LEOFF retirement system was established. The City's obligation under the Plan consists of paying the difference between pension and medical benefits provided by LEOFF1 and those provided by the FPP for covered firefighters who retire after March 1, 1970. At December 31, 2017, there were a total of six individuals covered by this system, six of whom are retired and all of whom qualified to receive benefits during 2017.

Under State law, the FPP is provided an allocation of 25% of all moneys received by the State from taxes on fire insurance premiums. Other funding sources include interest earnings, member contributions made prior to the inception of LEOFF, property taxes committed by action of the City Council, and City contributions required to meet projected future pensions obligations.

### Actuarial Assumptions

The total pension liability (TPL) for the plan was determined using the most recent actuarial valuation completed in 2020 with a valuation date of January 1, 2020.

- **Inflation:** 2.25% total economic inflation; 3.25% salary inflation
- **Investment rate of return (Discount Rate):** 2.00%

Mortality assumptions are based on the 2007-2012 Experience Study for the LEOFF Retirement System prepared by the Office of the State Actuary. Mortality rates are expected to continue to decrease in the future, and the

### Plan Investments

All surplus cash is invested in accordance with an investment policy approved by the Mercer Island City Council (January 2012). State law defines eligible investments as only those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.250, and 43.84.080). Eligible investments which the City held at year end include Government owned and Government-sponsored agencies, Washington State Local Government Investment Pool, and FDIC and PDPC Insured Bank Deposits. Investments are carried at fair market value in accordance with GASB 31.

Investment in the Washington State Local Government Investment Pool is not evidenced by securities that exist in physical or book entry form in the name of the City. Therefore, this investment is treated as a type of investment with a market value equal to net realizable value of the City's share of the pool based on the pool's valuation method. Year-end investments in the pool are included in Cash and Investments on the Statement of Net Position and the Statement of Fiduciary Net Position.

The money weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the

*City of Mercer Island, Washington*

beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.<sup>1</sup>

**Discount Rate Sensitivity Analysis**

The following table presents the net pension liability calculated using the discount rate of 2.00%. as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate

	<b>1% Decrease 1.00%</b>	<b>Current Discount Rate 2.00%</b>	<b>1% Increase 3.00%</b>
Total pension liability	\$ 1,951,063	\$ 1,754,845	\$ 1,587,059
Fiduciary net position	866,808	866,808	866,808
Net Pension liability	<u>\$ 1,084,255</u>	<u>\$ 888,037</u>	<u>\$ 720,251</u>

**Calculation of Money-Weighted Rate of Return**

<b>Firefighters' Pension Fund</b>	<b>Net External Cash Flows</b>	<b>Periods Invested</b>	<b>Period Weight</b>	<b>Net External Cash Flows with Interest</b>
Beginning Value - January 1, 2020	\$876,437	12.00	1.00	\$ 882,933
Monthly net external cash flows:				
January	(13,809)	12.00	1.00	(13,911)
February	(6,905)	11.00	0.92	(6,952)
March	(6,905)	10.00	0.83	(6,948)
April	42,681	9.00	0.75	42,918
May	(6,450)	8.00	0.67	(6,482)
June	(6,450)	7.00	0.58	(6,478)
July	(6,450)	6.00	0.50	(6,474)
August	(5,626)	5.00	0.42	(5,643)
September	(6,450)	4.00	0.33	(6,466)
October	6,755	3.00	0.25	6,767
November	(6,450)	2.00	0.17	(6,458)
December	-	1.00	0.08	-
Ending Value - December 31, 2020				\$ 866,808
<b>Money Weighted Rate of Return</b>	<b>0.74%</b>			

**Net Pension Liability**

The Net Pension Liability (NPL) is defined by the Total Pension Liability minus the plans' Fiduciary Net Position. Where the total pension liability is the portion of actuarial present value of projected benefit payments that is

<sup>1</sup> Milliman Financial Reporting Valuation



*City of Mercer Island, Washington*

attributable to past periods of member services using the Entry Age Normal cost method based on the requirements of GASB 67.

The total pension liability was determined by using the most recent actuarial valuation completed in 2020 with a valuation date of January 1, 2020. Total pension liability was calculated as of the measurement date of December 31, 2020. The reporting date is December 31, 2020 which is the same as the Plans fiscal year ending date.

The City believes an assumed discount rate of 2.00% is an appropriate long-term rate of return on investments for its Firefighters' pension fund. The Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years is 2.12% as of December 31, 2020. Rounding this rate to the nearest quarter percent gives a discount rate of 2.00%. Using 2.00% for both the long term expected rate of return and the bond index means that 2.00% can be used as the single discount rate.

### Net Pension Liability Schedule

	December 31, 2019	December 31, 2020
Total pension liability	\$ 2,008,356	\$ 1,754,845
Fiduciary net position	876,437	866,808
Net pension liability	<u>\$ 1,131,919</u>	<u>\$ 888,037</u>
Plan Fiduciary net position as a % of total pension liability	43.64%	49.40%
Covered Payroll	0	0
Net pension liability as a % of covered payroll	N/A	N/A
<i>Key Actuarial Assumptions</i>	<b>December 31, 2019</b>	<b>December 31, 2020</b>
Discount Rate	2.75%	2.00%
Long-term rate of return, net	2.75%	2.00%
Municipal bond rate	2.75%	2.00%
Valuation Date	January 1, 2018	January 1, 2020
Measurement Date	December 31, 2019	December 31, 2020
Inflation	2.25%	2.25%
Salary increases-including inflation	3.25%	3.25%
Actuarial cost method	Entry Age Normal	Entry Age Normal
Mortality	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for

## Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2019	\$ 2,008,356	\$ 876,437	\$ 1,131,919
Changes for the Year:			
Service Cost	-	-	-
Interest on total pension liability	54,166	-	54,166
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(357,949)	-	(357,949)
Effect of assumptions changes or inputs	128,216	-	128,216
Benefit payments	(77,944)	(77,944)	-
Medical payments from fund	-	-	-
Employer contributions	-	26,410	(26,410)
Contributions from state fire insurance premium	-	35,472	(35,472)
Net investment income	-	6,433	(6,433)
Administrative expenses	-	-	-
Balances as of December 31, 2020	\$ 1,754,845	\$ 866,808	\$ 888,037

Investment gains/losses are recognized in pension expense over a period of five years. Economic and demographic gains/losses, assumption changes or inputs are recognized over the average remaining service life for all active and inactive members. For the firefighters pension fund immediate recognition is used as the average remaining services life is less than one.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the Firefighter pension fund from the following sources:

Firefighter Pension Fund	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments	\$32,165	
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
TOTAL	\$32,165	\$0

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to the pension fund will be recognized in pension expense as follows:

Year ended December 31:	Amount
2021	\$13,659
2022	9,070
2023	5,935
Thereafter	3,501
<b>Total</b>	<b>\$32,165</b>

Schedules of required supplementary information that include a 10 year schedule of changes in the net pension liability and related ratios and a 10 year schedule of the money-weighted rate of return, immediately following the Notes, are provided to present multi-year trend information.

The information presented in the preceding required schedules was determined as part of the actuarial valuations at the dates indicated.

Actuarial cost method:	Entry Age Normal Cost Method
Amortization Period:	UAAL Amortized over a closed 30 year period
Asset Valuation Method:	Market Value

Actuarial economic assumptions:	
Investment Rate of Return	2.00%
Projected salary increases	3.25%

**NOTE 18- OTHER POST EMPLOYMENT BENEFITS**

The following represents the total Defined Benefit Other Post Employment Benefit (OPEB) Liability for the City of Mercer Island subject to the requirements of GASB Statement 75 for the year ending December 31, 2020:

**Total OPEB Liability Schedule**

	December 31, 2019	December 31, 2020
Total OPEB liability	\$ 12,097,772	\$ 11,721,426
Covered Payroll	0	0
Total OPEB liability as a % of covered employee payroll	N/A	N/A

**Plan Description**

In accordance with RCW 41.26, which establishes the Washington Law Enforcement Officers' and Firefighters Retirement System, the city provides lifetime medical care for law enforcement officers and fire fighters employed prior to October 1, 1977. Under this requirement, most coverage for eligible retirees is provided in one of the city's medical insurance programs. However, under authorization of the Disability Board, direct payment is also made for some retiree medical expenses not covered by standard benefit plan provisions. The retiree does not contribute towards the cost of medical care.

The City of Mercer Island's LEOFF Plan 1 (the Health Plan) is a single employer defined benefit healthcare plan administered by the city. The Health Plan provides medical, prescription drug, Medicare premiums, long-term care, and other eligible medical expenses for LEOFF Plan 1 retirees. The Health Plan is closed to new entrants, and dependent spouses and children are not covered. The Plan does not issue a separate standalone financial report.

The Health Plan is funded on a pay-as-you go basis and there are no assets accumulated in a qualifying trust. For the year ending December 31, 2020 the City's cost for providing these benefits was \$411,325.

At December 31, 2020 the following plan participants were covered by the benefit terms:

Description	Number of Participants
Inactive Employees or beneficiaries currently receiving benefits	<b>29</b>
Inactive Employees entitled to but not yet receiving benefits	0
Active Employees	0
<b>Total</b>	<b>29</b>

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rates stated below, and then projected to the measurement date. There have been no significant changes between the valuation date and the fiscal year end.

- **Valuation Date:** January 1, 2020
- **Measurement Date:** December 31, 2020
- **Discount Rate:** 2.00%; **Long Term Care Inflation Rate:** 4.5%

**Medical Trends.** Actuarial modeling based on a report published by the Society of Actuaries on long term medical trends. The trend rates assume that deductibles and out of pocket maximums will increase over time as medical trends increase. Medical trends were adjusted to capture the projected impact of the Excise Tax on high cost or “Cadillac” health plans beginning in 2022. The following is a summary of medical trend assumptions:

Medical Trend			Adjusted for Excise Tax Medical Trend		Medicare Part B Trend	
Year	Pre-65	Post-65	Year	Post-65	Year	Pre-65
2018-2019	3.4%	0.9%	2018-2019	0.9%	2018-2019	16.3%
2019-2020	8.0%	7.2%	2019-2020	7.2%	2019-2020	3.8%
2020-2022	4.9%	4.9%	2020-2022	4.9%	2020-2021	4.8%
2022-2025		4.8%	2022-2025	4.8%	2021-2022	4.0%
2025-2032		4.7%	2025-2032	4.7%	2022-2023	5.8%
2032-2040		4.8%	2032-2040	4.8%	2023-2024	5.6%
<i>grading down to 3.8% by 2074</i>			2040-2056	4.8%	2024-2025	4.8%
			2056-2057	5.1%	2025-2026	7.3%
			2057-2058	5.5%	2026-2030	5.3%
			2058-2059	5.6%	<i>grading down to 3.85% by 203.</i>	
			2059-2060	5.5%		
			2060-2063	5.4%		
			<i>grading down to 4.1% by 2091</i>			

**Long Term Care.** Assumptions include probability of benefits commencing, length of stay, inflation and type of covered care (institutional or custodial). Annual increase in Long term care costs assumed at 4.5% per year.

**Actuarial Cost Method.** The liabilities are calculated according to the Individual Entry Age Normal Cost (level percentage of pay) funding Method.

**Mortality.** For *service-retired members* assumptions are based on the RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and set forward one year for females. For *disabled members* assumptions are based on RP-2000 Mortality table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set forward two years.

City of Mercer Island, Washington

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**Discount Rate Sensitivity Analysis**

The following table presents the total OPEB liability calculated using the discount rate of 2.00%. as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>1.00%</b>	<b>Discount Rate</b>	<b>3.00%</b>
		<b>2.00%</b>	
Total OPEB Liability 12/31/2020	\$ 13,413,201	\$ 11,721,426	\$ 10,316,903

**Healthcare Cost Trend Rate Sensitivity Analysis**

The following table presents the total OPEB liability calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rate:

	<b>1% Decrease</b>	<b>Current Trend</b>	<b>1% Increase</b>
		<b>Rate</b>	
Total OPEB Liability 12/31/2020	\$ 10,414,367	\$ 11,721,426	\$ 13,242,418

**Changes in the Total OPEB Liability**

**GASB 75 Change to Total OPEB Liability**

	<b>(Decrease) Total</b>
	<b>OPEB Liability</b>
Balances as of December 31, 2019	\$ 12,097,772
Changes for the Year:	
Service Cost	-
Interest on total OPEB liability	327,788
Effect of plan changes	-
Effect of economic/demographic gains or losses	(36,602)
Effect of assumptions changes or inputs	(308,648)
Expected benefit payments	(358,884)
Balances as of December 31, 2020	<u>\$ 11,721,426</u>

The City believes an assumed discount rate of 2.00% is an appropriate long-term rate of return on investments for its Health plan.

Economic and demographic gains/losses, assumption changes or inputs are recognized over the average remaining service life for all active and inactive members. For the health plan immediate recognition is used as the average remaining services life is less than one.

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## City of Mercer Island, Washington

## GASB 75 OPEB Expense

Measurement Period	January 1, 2019 to December 31 ,2019	January 1, 2020 to December 31 ,2020
Service Cost	\$ -	\$ -
Interest on total OPEB liability	397,275	327,788
Effect of plan changes	-	-
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of economic/demographic gains or losses	-	(36,602)
Recognition of assumptions changes or inputs	1,907,799	(308,648)
<b>OPBE Expense</b>	<b>\$ 2,305,074</b>	<b>\$ (17,462)</b>

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the health plan from the following sources:

Firefighter Pension Fund	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments		
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
TOTAL	\$0	\$0

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to the health plan will be recognized in pension expense as follows:

Year ended December 31:	Amount
2021	\$0
2022	0
2023	0
2024	0
Thereafter	0

A schedule of required supplementary information that includes a 10-year schedule of changes in the total OPEB liability and related ratios is available immediately following the Notes and is provided to present multi-year trend information.

**NOTE 19 – BUDGET TO GAAP RECONCILIATION**

The City budgets separate managerial funds to account for the resources and expenditures related to 1% for Art in Public Places programming and the contingency reserve. In implementing the new requirements of GASB Statement No. 54 the 1% Arts Fund and the Contingency fund no longer qualify as special revenue funds. The funds have been combined with the General Fund for financial reporting purposes resulting in a perspective difference. The following schedule reconciles revenues and expenditures on the budgetary basis to revenues and expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances.

	General Fund	Biennium
Revenues on the budgetary basis	\$ 30,681,449	\$ 61,816,297
Increase (decrease) due to perspective difference	168,604	535,411
Revenues on the GAAP basis	<u>30,850,053</u>	<u>62,351,708</u>
Expenditure on the budgetary basis	28,041,118	57,742,786
Increase (decrease) due to perspective difference	27,998	42,054
Expenditure on the GAAP basis	<u>28,069,116</u>	<u>57,784,840</u>
Other financing sources (uses) on the budgetary basis	1,304,037	1,031,787
Increase (decrease) due to perspective difference	(439,605)	(1,684,941)
Other financing sources (uses) on the GAAP basis	<u>864,432</u>	<u>(653,154)</u>
Fund Balance beginning of year on the budgetary basis	6,534,738	6,534,738
Increase (decrease) due to perspective difference	4,306,746	4,306,746
Fund Balance beginning of year on the GAAP basis	<u>10,841,484</u>	<u>10,841,483</u>
Fund Balance end of year on the budgetary basis	10,479,106	10,479,106
Increase (decrease) due to perspective difference	4,007,747	4,007,747
Fund Balance end of year on the GAAP basis	<u>\$ 14,486,851</u>	<u>\$ 14,486,851</u>



**NOTE 20 - JOINT VENTURES****Eastside Public Safety Communications Agency**

The Eastside Public Safety Communications Agency (EPSCA), an emergency regional radio access service, was established on May 26, 1992, by an Interlocal Agreement (Agreement 1), pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW, among the Cities of Bellevue, Redmond, Kirkland and Mercer Island (Principals), municipal corporations organized under the laws of the State of Washington. Agreement 1 was amended June 10, 1993, to include the City of Issaquah as an additional principal in EPSCA's governance. The duration of this agreement was for ten years, and under the terms set forth in Resolution R-18 as approved by majority vote of the Executive Board in regular open meeting on April 11, 2002 it was extended for a subsequent five year period until May 18, 2007. EPSCA began principal operations in December 1995.

EPSCA is governed by an Executive Board (Board), which is composed of the Chief Executive officers of the Principals. The Executive Board is responsible for review and approval of all budgetary, financial and contractual matters.

An Operations Committee (Committee) composed of the Chief of Police and Fire Chief of each principal, reports to the board and oversees budget preparation, rates, revenues, expenditures, policies and other operational issues. The Committee also includes representation from non-principal EPSCA user agencies.

EPSCA has developed an Eastside radio communications system which is integrated with a regional radio communications network. Its capital funding derives from a September 15, 1992, voter-approved King County excess property tax levy of \$57,016,764. EPSCA's portion of the levy was \$10,004,469.

Operating revenues derive from fees charged to the Principals for communications services and from subscriber fees for communications services.

Agreement 1 provides for a weighted vote according to the proportion of each Principal's system radios in relation to the total number of system radios used by all Principals. These percentages are reviewed and adjusted annually at January 1 based on the number of radios on the system in use by current principals as of December 31 of the preceding year.

Upon dissolution, Agreement 1 provides for distribution of retained earnings among the Principals based on the weighted voting percentages in force at the time of dissolution. Any property contributed without charge would revert to the contributing Principal.

In August of 1993, EPSCA entered into an Interlocal Cooperation Agreement (Agreement 2), pursuant to Chapter 39.34 RCW, with King County, Seattle, and Valley Communications (Sub regions), municipal corporations organized under the laws of the State of Washington. Agreement 2 governs the development, acquisition and installation of the emergency radio communication system (System).

Agreement 2 provides that upon voluntarily termination of any Sub region's participation in the System, it surrenders its radio frequencies, relinquishes its equipment and transfers any unexpended levy proceeds and equipment replacement reserves to another Sub region or a consortium of Sub regions.

Thus, in accordance with Agreement 2, the Principals of EPSCA have no equity interest in EPSCA's contributed capital (\$10,502,938 from King County levy proceeds) as of December 31, 2004. Capital contributed to Mercer Island as of December 31, 2004 amounted to \$344,692.

*City of Mercer Island, Washington*

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The City of Mercer Island's share of retained earnings and capital is deemed immaterial and thus is not reflected in the financial statements. Compiled financial statements for EPSCA can be obtained from EPSCA c/o Jessie Morgan, 16100 N.E. 8th Street, Bellevue, Washington 98004.

**ARCH – Housing Coalition**

In November 1992, the cities of Bellevue, Kirkland, Redmond, and King County joined to establish A Regional Coalition for Housing (ARCH). The agreement was amended in January 1993 to add clarifying language regarding responsibility and disillusionment. Subsequently, the cities of Bothell, Issaquah, and Woodinville joined ARCH. Mercer Island joined ARCH in March, 1994.

The purpose of ARCH is to cooperatively formulate affordable housing goals and policies and to foster efforts to provide affordable housing by combining public funding with private-sector resources. Operating funding is provided by the member cities. ARCH identifies and prioritizes projects which the member cities fund directly through their own grants, Community Development Block Grants, and HUD grants.

ARCH is governed by an Executive Board composed of the chief executive officer from each member agency. The Executive Board is responsible for review and approval of all budgetary, financial, policy, and contractual matters. The Board is assisted by an administrative staff and a Citizen Advisory Board.

Each member city is responsible for contributing operating revenues as determined from the ARCH annual budget. Contributions from the member cities are based on each member's population.

Members withdrawing from the agreement relinquish all rights to any reserve funds, equipment, or material purchased. Upon dissolution, the agreement, as amended, provides for distribution of net position among the members based on the percentage of the total annual contributions during the period of the Agreement paid by each member. The City's share of net position is deemed immaterial and thus is not reflected in the financial statement.

Budget monitoring information can be obtained from ARCH, 16625 NE 87<sup>th</sup> Street, Redmond, WA 98052.

**E-Gov Alliance**

In March 2002 the City of Mercer Island joined the Cities of Bellevue, Bothell, Burien, Issaquah, Kenmore, Kirkland, Sammamish and Woodinville in forming the E-Gov Alliance. The Alliance establishes on-line services through a jointly operated internet portal. Additionally, the Alliance has established a partnership with Microsoft to help define the E-Gov architecture, provide consulting services, offer training, and donated software.

The inter-local agreement may be terminated if Principals holding at least sixty percent (60%) of the weighted vote of all of the Principals are in concurrence. Upon termination, all property acquired shall be disposed of as follows: (1) property contributed without charge by any member shall revert to the contributor, (2) all property purchased after the effective date of the inter-local agreement shall be distributed to the Principals based upon each Principals proportional ownership interest at the time of the sale of the property. The City's share of the net position is deemed immaterial and thus is not reflected in the financial statements.

Budget monitoring information may be obtained from City of Bellevue, Information Technology Department, PO Box 90012, Bellevue, WA 98009.

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**NORCOM**

In November of 2007, the City of Kirkland, with the cities of Bellevue, Bothell, Clyde Hill, Medina, Mercer Island, and Snoqualmie, along with Eastside Fire and Rescue, King County Fire Protection Districts 27 and 45, King and Kittitas County Fire Protection District 51, Northshore Fire Department, Shoreline Fire Department, and Woodinville Fire and Life Safety District entered into an interlocal agreement to establish and maintain a consolidated emergency service communications center. In 2008, the City of Redmond joined as a subscriber. Prior to the interlocal agreement, the formation efforts were carried out under a Joint Powers Agreement originally approved in 2005 and amended in 2006 and 2007. On July 1, 2009, the separate dispatch operations of the cities of Bellevue and Kirkland were combined and began operating as the North East King County Regional Public Safety Communications Agency (or NORCOM). NORCOM includes 911 telephone answering, computer aided dispatch of fire, police and EMS resources, public safety field technology and a records management system.

Operating revenues are provided by user fees charged to each member based on average call volume. For 2020 the City of Mercer Island's share of these fees was \$734,591.

Additional financial information can be obtained from NORCOM, c/o Finance Manager, P.O. Box 50911, Bellevue, WA 98015.

**NOTE 21 – POLLUTION REMEDIATION OBLIGATIONS**

In 1991 the City's Maintenance Shop found a problem when it tested the "tightness" of its three underground storage tanks for unleaded gasoline and diesel fuel. A subsequent site investigation found minor problems but no failure of the three tanks or connecting piping. Soil samples, test pits and monitoring wells indicated that contamination was not widespread. A consultant's report concluded that "the quantity of the petroleum released was probably quite small and poses little impact to the surrounding environment."

The state Department of Ecology (DOE) recommended quarterly monitoring of three on-site monitoring wells. It is unclear from DOE and City records whether the City followed this recommendation. In June of 1993, the three tanks were removed along with an estimated 100 cubic yards of contaminated soils. Sampling of the excavation site found the soils removal was successful, but groundwater contamination was still present. The City installed an "air sparing/vapor extraction system" to remove groundwater contamination. Use of the system required a permit from the Puget Sound Air Pollution Control Agency. For reasons that are not known, the permit was never granted and the system was not activated.

In early July of 2004, the soils and groundwater of the site occupied by Honeywell International to the west and north of Maintenance Shop were tested as part of due diligence for a prospective sale of the property. The property is jointly owned by the Archdiocese of Seattle and two other out-of-state religious organizations. The consultants performing this testing found evidence of petroleum hydrocarbons and associated contaminants in soil and groundwater samples that exceeded state cleanup standards as defined by the Model Toxics Control Act. When notified of these results, the City hired Golder Associates to investigate. Golder conducted the original site investigation in 1991.

In two phases of work, Golder installed new monitoring wells, did soils borings, and tested the existing monitoring wells. Golder confirmed that the Maintenance Shop tanks were the only possible source of the petroleum contamination on the Honeywell site. Golder found that the contamination extended in groundwater beneath the Honeywell office building. Golder believes that petroleum contamination from the Maintenance Shop tanks may have migrated in groundwater to the Honeywell site along the original path of the stream that now flows generally east to west at the south end of the property. The course of the stream likely was altered to its present south to north flow prior to construction of the building occupied by Honeywell. The old stream channel is believed to be contained in a sandy lawyer between two impervious layers of clay and hard silt.

On Feb. 22, 2005, the City authorized Golder to begin a third phase of work that will define the precise extent of the petroleum contamination at the Honeywell site, test the indoor air in the Honeywell building to determine whether the contamination beneath the building is affecting air quality, begin removing petroleum contamination in groundwater, and recommend a plan for the final cleanup and monitoring of the Site.

The 2004-2005 remedial investigation found a gasoline groundwater plume extending north from the former underground tank site, under the former Honeywell building, and turning to the northeast toward City Hall.

Cleanup of the affected groundwater is required under the State Model Toxics Control Act (MTCA). Golder was asked to develop a conceptual remedial approach for cleanup of the groundwater plume. After the conceptual approach was presented to John Bails of the Washington State Department of Ecology (DOE) and verbally approved, work began on a detailed plan for remediation. Following DOE acceptance, the remedial action plan as formalized and engineering design and compliance monitoring plans were completed in the summer of 2006.

The remedial action consisted of four components:

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- Highly impacted groundwater was removed from the area north of the stream separating the Maintenance and Honeywell properties via excavation and the installation of an 80-foot-long by 10-foot-deep interceptor trench. The trench extracts impacted groundwater and pumps it to an activated carbon-based treatment system on the Maintenance property. After treatment, the water discharges to a King County/METRO sanitary sewer under discharge authorization number 4125-01.
- Approximately 260 cubic yards of highly contaminated soil were excavated from the south side of the Honeywell building.
- Biodegradation of the volatile organic compounds (VOCs) associated with the groundwater contamination plume has been enhanced by the introduction of ambient air via four buried airlines that intersect the gasoline plume and the application of oxidative chemicals.
- An existing network of monitoring wells to track the progress of the remediation was expanded. Short-term and long-term groundwater, surface water, and indoor air monitoring activities have been instituted.

In general, concentrations of gasoline and its VOC constituents remain above MTCA cleanup levels but appear to be decreasing with time. The property data for both sites showed progress in reducing the size of the plume, although test wells below the original fuel site still exceeded MTCA requirements. At the recommendation of Golder Associates, a pilot in-situ chemical oxidation test was implemented to accelerate the biodegradation of the contaminated groundwater.

In 2014, the City consulted with Farallon Consulting to complete a technical review of the remediation response, including the evaluation of the proposed pilot in-situ chemical oxidation test. Farallon recommended revamping the monitoring reports, including further descriptions of existing site conditions, cleanup activities, the evaluation of data, and moving from quarterly monitoring intervals to annual reports. Due to concerns over the effectiveness of the costly “in-situ” oxidation treatment, the City transitioned away from in-situ chemical applications in 2015 and 2016.

In compliance with the MTCA, the City continues to monitor and report on the remediation efforts annually. Remedial actions including the introduction of air into the subsurface to improve biological degradation continue. However, no chemical oxidation (Persulfate injections) are currently scoped. Golder also continues to maintain the remediation system and provide administrative support to complete the King County Metro discharge authorization permit and the DOE monitoring reports.

At significant points during this process, the City has consulted with the State Department of Ecology (DOE) and confirmed that the work being undertaken is appropriate and meets regulatory requirements. DOE has informed the City that the cleanup and monitoring process likely won’t be completed for three to five years. DOE’s Voluntary Compliance Program for underground storage tanks will allow the City to recover 50% of its costs, up to \$200,000, for the contamination investigation, clean-up and monitoring, following the issuance of a “No Further Action” letter at the completion of monitoring of the site.

**NOTE 22 – PAID FAMILY MEDICAL LEAVE ACT SELF INSURANCE**

The City of Mercer Island administers a voluntary plan for paid family and medical leave benefits for its employees. Voluntary plans are approved by the Employment Security Department and are available for employers who wish to opt out of the State of Washington's Paid Family & Medical Leave Program for either family leave benefit, medical leave benefit, or both, and instead administer their own internal plan. Employers with voluntary plans are required to offer benefits that are equal to or exceed the benefits offered by the State's program and must report employee hours, wages, premiums deducted from employee pay, and other information to the Employment Security Department on a quarterly basis.

The City paid \$49,829 in claims during 2020 and held \$0 of employee premiums at year end.

**NOTE 23 – COVID-19 PANDEMIC**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, cancelling public events, and limiting gathering sizes.

Consistent with the Governors instructions the City of Mercer Island made the following changes to its operations:

- Suspended all operations at the Mercer Island Community and Events Center including recreation programming and facility rentals.
- Closed all public buildings to the public and limited operations to essential services only.
- Closed the Mercer Island Thrift Shop, suspending all retail operations.

The City incurred immediate revenue reductions with the closure of the Thrift Shop and Parks and Recreation operations impacting both the General Fund and the Youth and Family Services Fund. The City anticipates a decline in sales tax revenues further impacting the General Fund revenues. Immediate actions are being taken to reduce expenditures in both the General Fund and the Youth and Family Services Fund.

The length of time these measures will be in place, and the full extent of the financial impact on the City of Mercer Island is unknown at this time.

**NOTE 24 – SUBSEQUENT EVENTS**

The following material events occurred subsequent to the balance sheet date of December 31, 2020:

- The American Rescue Plan Act (ARPA) is a Federal economic stimulus package that was signed into law on March 11, 2021, in response to the economic and public safety impacts of the COVID-19 Pandemic (pandemic). The \$1.9 trillion legislation includes \$19.53 billion to cities and towns with less than 50,000 residents to aid in their response and recovery from the pandemic.

On June 8, 2021 Washington's OFM announced ARPA allocation amounts for NEU cities, along with specific instructions to acknowledge the desire for and facilitate the transfer of ARPA funds. Mercer Island was estimated to receive \$5.64 million. The OFM confirmed the City of Mercer Island will receive \$7.23 million in ARPA funds. The first half, or \$3.61 million, of the funding was received in June 2021 with the remainder expected in 2022. The City is required to commit the funds by December 2024, and fully expend the funds no later than December 2026

- At the regular meeting of July 6, 2021 the City Council passed Resolution Number 1600 authorizing the purchase of real property located at 4004 Island Crest Way, for a purchase price of \$1,175,000 plus closing costs. Final settlement of the purchase was executed on August 6, 2021.





**City of Mercer Island**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2020**

	<u>Budgeted Amounts</u>		<b>Actual for Biennium</b>	<b>Variance From Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>REVENUES</b>				
Taxes:				
Property	\$ 25,171,740	\$ 25,171,740	\$ 25,288,938	\$ 117,198
Sales	10,228,791	10,228,791	10,614,941	386,150
B&O	9,732,727	9,732,727	9,794,262	61,535
Licenses & Permits	7,384,749	6,121,684	4,952,213	(1,169,471)
Intergovernmental	2,352,064	3,678,058	2,243,314	(1,434,744)
Charges for Services	7,460,318	6,030,018	7,315,761	1,285,743
Fines & Forfeitures	693,208	693,208	486,736	(206,472)
Investment Earnings	51,208	51,208	284,490	233,282
Other Revenues	473,400	473,400	835,643	362,243
Total revenues	<u>63,548,205</u>	<u>62,180,834</u>	<u>61,816,297</u>	<u>(364,537)</u>
<b>EXPENDITURES</b>				
Current:				
Judicial	972,158	972,158	864,535	(107,623)
General Government	11,486,610	13,769,478	11,057,340	(2,712,138)
Public Safety	28,374,859	28,616,454	28,792,477	176,023
Physical Environ	-	-	131,542	131,542
Transportation	3,861,047	3,852,337	1,745,995	(2,106,342)
Health & Human Services	-	-	27,042	27,042
Economic Environment	7,139,948	7,165,073	6,297,093	(867,980)
Culture & Recreation	11,950,202	8,825,229	8,741,409	(83,820)
<i>Debt Service:</i>				
Principal	-	-	84,728	84,728
Interest	-	-	625	625
Total expenditures	<u>63,784,824</u>	<u>63,200,729</u>	<u>57,742,786</u>	<u>(5,457,943)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(236,619)</u>	<u>(1,019,895)</u>	<u>4,073,511</u>	<u>5,093,406</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,035,704	219,820	797,525	577,705
Transfers out	(1,481,400)	(1,285,328)	(1,265,738)	19,591
Misc Other Financing Sources		1,500,000	1,500,000	1,500,000
Total other financing sources (uses)	<u>(445,696)</u>	<u>434,492</u>	<u>1,031,787</u>	<u>2,097,295</u>
Net change in fund balances	(682,315)	(585,403)	5,105,298	7,190,701
Fund balances - Beginning	790,798	-	5,373,810	5,373,810
Fund balances - Ending	<u>\$ 108,483</u>	<u>\$ (585,403)</u>	<u>\$ 10,479,106</u>	<u>\$ 12,564,511</u>

The notes to the Financial Statements are an integral part of this schedule.

**City of Mercer Island**  
**Street Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual for Biennium	Variance From Final Budget
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes:				
Other	\$ 3,398,000	\$ 3,398,000	\$ 3,561,070	163,070
Intergovernmental	2,660,000	2,660,000	2,272,643	(387,357)
Charges for Services	-	-	157,506	157,506
Total revenues	6,058,000	6,058,000	5,991,219	(66,781)
<b>EXPENDITURES</b>				
Current:				
Transportation	6,692,685	7,099,000	4,842,062	(2,256,938)
Total expenditures	6,692,685	7,099,000	4,842,062	(2,256,938)
Excess (deficiency) of revenues over (under) expenditures	(634,685)	(1,041,000)	1,149,158	2,190,158
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(85,000)	(85,000)	(54,852)	30,148
Total other financing sources (uses)	(85,000)	(85,000)	(54,852)	30,148
Net change in fund balances	(719,685)	(1,126,000)	1,094,306	2,220,306
Fund balances - Beginning	2,179,388	2,179,388	4,019,850	1,840,462
Fund balances - Ending	\$ 1,459,703	\$ 1,053,388	\$ 5,114,155	\$ 4,060,767

The notes to the financial statement are an integral part of this schedule

**City of Mercer Island**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**PERS1**  
**As of June 30, 2020**  
**Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Employer's proportion of the net pension liability (asset)	0.0816300%	0.0885640%	0.0999700%	0.0943380%	0.0921020%	0.1014210%	0.090700%	N/A	N/A	N/A
Employer's proportionate share of the net pension liability/ (asset)	\$ 2,881,980	\$ 3,405,600	\$ 4,464,694	\$ 4,476,412	\$ 4,946,311	\$ 5,305,261	4,569,055	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$ 2,881,980</b>	<b>\$ 3,405,600</b>	<b>\$ 4,464,694</b>	<b>\$ 4,476,412</b>	<b>\$ 4,946,311</b>	<b>5,305,261</b>	<b>4,569,055</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Employer's covered employee payroll	12,352,088	12,444,511	13,336,568	11,809,152	10,729,144	11,405,710	9,766,732	N/A	N/A	N/A
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	428.6%	365.4%	298.7%	263.8%	216.9%	215.0%	213.8%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%	61.19%	N/A	N/A	N/A

<i>Key Actuarial Assumptions</i>	2020	2019	2018	2017	2016	2015	2014
Discount Rate	7.40%	7.40%	7.40%	7.50%	7.50%	7.50%	7.50%
Long-term rate of return, net	7.40%	7.40%	7.40%	7.50%	7.50%	7.50%	7.50%
Valuation Date	June 30,2019	June 30,2018	June 30,2017	June 30,2016	June 30,2015	June 30,2014	June 30,2013
Measurement Date	June 30,2020	June 30,2019	June 30,2018	June 30,2017	June 30,2016	June 30,2015	June 30,2014
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases-including inflation	3.50%	3.50%	3.50%	3.75%	3.75%	3.75%	3.75%
Actuarial cost method	Entry Age Cost	Entry Age Cost	Entry Age Cost	Entry Age Cost	Entry Age Normal	Entry Age Normal	Entry Age Normal
Mortality	Mortality rates developed using the Society of Actuaries Pub H-2010. OSA applied the long-term MP-2017 generational scale.						

**City of Mercer Island**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**PERS 2/3**  
**As of June 30, 2020**  
**Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Employer's proportion of the net pension liability	0.105057%	0.113624%	0.127078%	0.120307%	0.115169%	0.125812%	0.112022%	N/A	N/A	N/A
Employer's proportionate share of the net pension liability	\$ 1,343,619	\$ 1,103,675	\$ 2,169,744	\$ 4,180,093	\$ 5,798,668	\$ 4,495,334	2,264,369	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$ 1,343,619</b>	<b>\$ 1,103,675</b>	<b>\$ 2,169,744</b>	<b>\$ 4,180,093</b>	<b>\$ 5,798,668</b>	<b>\$ 4,495,334</b>	<b>2,264,369</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Employer's covered employee payroll	\$ 12,273,235	\$ 12,372,797	\$ 13,259,166	\$ 11,809,152	\$ 10,729,144	\$ 11,164,401	9,553,259	N/A	N/A	N/A
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	10.95%	8.92%	16.36%	35.40%	54.05%	40.26%	23.70%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%	N/A	N/A	N/A

<i>Key Actuarial Assumptions</i>	2020	2019	2018	2017	2016	2015	2014
Discount Rate	7.40%	7.40%	7.40%	7.50%	7.50%	7.50%	7.50%
Long-term rate of return, net	7.40%	7.40%	7.40%	7.50%	7.50%	7.50%	7.50%
Valuation Date	June 30,2019	June 30,2018	June 30,2017	June 30,2016	June 30,2015	June 30,2014	June 30,2013
Measurement Date	June 30,2020	June 30,2019	June 30,2018	June 30,2017	June 30,2016	June 30,2015	June 30,2014
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases-including inflation	3.50%	3.50%	3.50%	3.75%	3.75%	3.75%	3.75%
Actuarial cost method	Entry Age Cost	Entry Age Cost	Entry Age Cost	Entry Age Cost	Entry Age Normal	Entry Age Normal	Entry Age Normal
Mortality	Mortality rates developed using the Society of Actuaries Pub H-2010. OSA applied the long-term MP-2017 generational scale.						

**City of Mercer Island**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**PSERS**  
**As of June 30, 2020**  
**Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Employer's proportion of the net pension liability (asset)	0.012837%	0.015836%	0.019719%	0.019410%	0.019563%	0.022901%	0.021583%	N/A	N/A	N/A
Employer's proportionate share of the net pension liability/ (asset)	\$ (1,766)	\$ (2,059)	\$ 244	\$ 3,803	\$ 8,314	\$ 4,180	(3,125)	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$ (1,766)</b>	<b>\$ (2,059)</b>	<b>\$ 244</b>	<b>\$ 3,803</b>	<b>\$ 8,314</b>	<b>\$ 4,180</b>	<b>(3,125)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Employer's covered employee payroll	\$ 78,852	\$ 72,996	\$ 77,401	\$ 68,723	\$ 63,388	\$ 67,051	57,659	N/A	N/A	N/A
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-2.24%	-2.82%	0.32%	5.53%	13.12%	6.23%	5.42%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	101.68%	101.85%	99.79%	96.26%	90.41%	95.08%	105.01%	N/A	N/A	N/A

<b>Key Actuarial Assumptions</b>	2020	2019	2018	2017	2016	2015	2014
Discount Rate	7.40%	7.40%	7.40%	7.50%	7.50%	7.50%	7.50%
Long-term rate of return, net	7.40%	7.40%	7.40%	7.50%	7.50%	7.50%	7.50%
Valuation Date	June 30,2019	June 30,2018	June 30,2017	June 30,2016	June 30,2015	June 30,2014	June 30,2013
Measurement Date	June 30,2020	June 30,2019	June 30,2018	June 30,2017	June 30,2016	June 30,2015	June 30,2014
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases-including inflation	3.50%	3.50%	3.50%	3.75%	3.75%	3.75%	3.75%
Actuarial cost method	Entry Age Cost	Entry Age Cost	Entry Age Cost	Entry Age Cost	Normal	Normal	Normal
Mortality	Mortality rates developed using the Society of Actuaries Pub H-2010. OSA applied the long-term MP-2017 generational scale.						

**City of Mercer Island**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**LEOFF 1**  
**As of June 30, 2020**  
**Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Employer's proportion of the net pension liability (asset)	0.069996%	0.070658%	0.070837%	0.070386%	0.070876%	0.071143%	0.071676%	N/A	N/A	N/A
Employer's proportionate share of the net pension liability/ (asset)	\$ (1,321,881)	\$ (1,396,634)	\$ (1,286,047)	\$ (1,067,910)	\$ (730,226)	\$ (857,430)	(869,280)	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$ (1,321,881)</b>	<b>\$ (1,396,634)</b>	<b>\$ (1,286,047)</b>	<b>\$ (1,067,910)</b>	<b>\$ (730,226)</b>	<b>\$ (857,430)</b>	<b>(869,280)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Employer's covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	146.88%	148.78%	144.42%	135.96%	123.74%	127.36%	126.91%	N/A	N/A	N/A

<b>Key Actuarial Assumptions</b>	2020	2019	2018	2017	2016	2015	2014
Discount Rate	7.40%	7.40%	7.40%	7.50%	7.50%	7.50%	7.50%
Long-term rate of return, net	7.40%	7.40%	7.40%	7.50%	7.50%	7.50%	7.50%
Valuation Date	June 30,2019	June 30,2018	June 30,2017	June 30,2016	June 30,2015	June 30,2014	June 30,2013
Measurement Date	June 30,2020	June 30,2019	June 30,2018	June 30,2017	June 30,2016	June 30,2015	June 30,2014
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases-including inflation	3.50%	3.50%	3.50%	3.75%	3.75%	3.75%	3.75%
Actuarial cost method	Entry Age Cost	Entry Age Cost	Entry Age Cost	Entry Age Cost	Entry Age Normal	Entry Age Normal	Entry Age Normal
Mortality	Mortality rates developed using the Society of Actuaries Pub H-2010. OSA applied the long-term MP-2017 generational scale.						

**City of Mercer Island**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**LEOFF 2**  
**As of June 30, 2020**  
**Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Employer's proportion of the net pension liability (asset)	0.218682%	0.215920%	0.249477%	0.246128%	0.234565%	0.261715%	0.244566%	N/A	N/A	N/A
Employer's proportionate share of the net pension liability/ (asset)	\$ (4,460,794)	\$ (5,002,204)	\$ (5,064,927)	\$ (3,415,459)	\$ (1,364,300)	\$ (2,689,907)	(3,245,496)	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the employer	\$ (2,852,340)	\$ (3,275,773)	\$ (3,279,445)	\$ (2,215,545)	\$ (889,424)	\$ (1,757,534)	(2,137,986)	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$ (7,313,134)</b>	<b>\$ (8,277,977)</b>	<b>\$ (8,344,372)</b>	<b>\$ (5,631,004)</b>	<b>\$ (2,253,724)</b>	<b>\$ (4,447,441)</b>	<b>(5,383,482)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Employer's covered employee payroll	\$ 8,294,242	\$ 7,582,771	\$ 8,263,780	\$ 7,699,330	\$ 7,105,964	\$ 7,596,018	6,806,464	N/A	N/A	N/A
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	53.78%	65.97%	61.29%	44.36%	19.20%	35.41%	47.68%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	115.83%	119.43%	118.50%	113.36%	106.04%	111.67%	116.75%	N/A	N/A	N/A

<b>Key Actuarial Assumptions</b>	2020	2019	2018	2017	2016	2015	2014
Discount Rate	7.40%	7.40%	7.40%	7.50%	7.50%	7.50%	7.50%
Long-term rate of return, net	7.40%	7.40%	7.40%	7.50%	7.50%	7.50%	7.50%
Valuation Date	June 30,2019	June 30,2018	June 30,2017	June 30,2016	June 30,2015	June 30,2014	June 30,2013
Measurement Date	June 30,2020	June 30,2019	June 30,2018	June 30,2017	June 30,2016	June 30,2015	June 30,2014
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Salary increases-including inflation	3.50%	3.50%	3.50%	3.75%	3.75%	3.75%	3.75%
Actuarial cost method	Entry Age Cost	Entry Age Cost	Entry Age Cost	Entry Age Cost	Entry Age Normal	Entry Age Normal	Entry Age Normal

Mortality Mortality rates developed using the Society of Actuaries Pub H-2010. OSA applied the long-term MP-2017 generational scale.



**City of Mercer Island**  
**Schedule of Employer Contributions**  
**PERS Plan 1**  
**As of December 31, 2020**  
**Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily or contractually required contributions	\$ 543,576	\$ 641,359	\$ 647,639	\$ 610,706	\$ 545,652	\$ 504,636	\$ 437,069	N/A	N/A	N/A
Contributions in relation to the statutorily or contractually required contributions	\$ (543,576)	\$ (641,359)	\$ (647,639)	\$ (610,706)	\$ (545,652)	\$ (504,636)	\$ (437,069)	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
Covered employer payroll	\$ 11,342,713	\$ 12,934,104	\$ 12,802,735	\$ 12,485,882	\$ 11,333,362	\$ 11,112,882	\$ 10,325,037	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	4.8%	5.0%	5.1%	4.9%	4.8%	4.5%	4.2%	N/A	N/A	N/A

**City of Mercer Island**  
**Schedule of Employer Contributions**  
**PERS Plan 2 / 3**  
**As of December 31, 2020**  
**Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily or contractually required contributions	\$ 1,451,758	\$ 1,648,492	\$ 1,620,939	\$ 1,475,731	\$ 1,259,585	\$ 1,123,738	\$ 941,919	N/A	N/A	N/A
Contributions in relation to the statutorily or contractually required contributions	\$ (1,451,758)	\$ (1,648,492)	\$ (1,620,939)	\$ (1,475,731)	\$ (1,259,585)	\$ (1,123,738)	\$ (941,919)	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
Covered employer payroll	\$ 11,259,547	\$ 12,856,033	\$ 12,726,557	\$ 12,413,233	\$ 11,266,419	\$ 11,048,090	\$ 10,261,952	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	12.9%	12.8%	12.7%	11.9%	11.2%	10.2%	9.2%	N/A	N/A	N/A

**City of Mercer Island**  
**Schedule of Employer Contributions**  
**PSERS**  
**As of December 31, 2020**  
**Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily or contractually required contributions	\$ 10,124	\$ 9,576	\$ 9,194	\$ 8,521	\$ 7,725	\$ 7,147	\$ 6,649	N/A	N/A	N/A
Contributions in relation to the statutorily or contractually required contributions	\$ (10,124)	\$ (9,576)	\$ (9,194)	\$ (8,521)	\$ (7,725)	\$ (7,147)	\$ (6,649)	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
Covered employer payroll	\$ 83,166	\$ 78,071	\$ 76,178	\$ 72,649	\$ 66,943	\$ 64,792	\$ 63,085	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	12.2%	12.3%	12.1%	11.7%	11.5%	11.0%	10.5%	N/A	N/A	N/A

**City of Mercer Island  
 Schedule of Employer Contributions  
 LEOFF 1  
 As of December 31, 2020  
 Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily or contractually required contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
Contributions in relation to the statutorily or contractually required contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
Covered employer payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A

**City of Mercer Island**  
**Schedule of Employer Contributions**  
**LEOFF 2**  
**As of December 31, 2020**  
**Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily or contractually required contributions	\$ 445,627	\$ 446,852	\$ 426,194	\$ 419,206	\$ 390,720	\$ 393,006	\$ 375,430	N/A	N/A	N/A
Contributions in relation to the statutorily or contractually required contributions	\$ (445,627)	\$ (446,852)	\$ (426,194)	\$ (419,206)	\$ (390,720)	\$ (393,006)	\$ (375,430)	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A
Covered employer payroll	\$8,359,712	\$8,302,343	\$7,848,878	\$7,874,867	\$7,470,757	\$7,481,851	\$7,178,393	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	5.3%	5.4%	5.4%	5.3%	5.2%	5.3%	5.2%	N/A	N/A	N/A

**Firefighters Pension Fund**  
**GASB 67 Schedule of Changes in Net Pension Liability and Related Ratios**

\$ Thousands	Fiscal Year Ending December 31:									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Total Pension Liability</b>										
Service Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	N/A	N/A
Interest on total pension liability	54	70	65	75	67	67	68	N/A	N/A	N/A
Effect of plan changes	0	0	0	0	0	0	0	N/A	N/A	N/A
Effect of economic/demographic gains or losses	-358	0	0	-278	17	17	0	N/A	N/A	N/A
Effect of assumptions changes or inputs	128	240	-96	0	217	217	52	N/A	N/A	N/A
Benefit payments	-78	-85	-81	-83	-91	-91	-77	N/A	N/A	N/A
Net change in total pension liability	-\$254	\$225	-\$111	-\$286	\$210	\$210	\$43	N/A	N/A	N/A
Total pension liability, beginning	2008	1784	1895	2181	1971	1971	1927	N/A	N/A	N/A
Total pension liability, ending (a)	\$1,755	\$2,008	\$1,784	\$1,895	\$2,181	2181	1970	N/A	N/A	N/A
<b>Fiduciary Net Position</b>								N/A	N/A	N/A
Employer contributions	\$26	\$26	\$26	\$26	\$26	\$26	\$26	N/A	N/A	N/A
Contributions from state fire insurance premium	35	33	33	32	30	31	31	N/A	N/A	N/A
Investment income net of investment expenses	6	22	15	8	5	1	3	N/A	N/A	N/A
Benefit payments	-78	-85	-81	-83	-83	-91	-77	N/A	N/A	N/A
Medical payments from fund	0	0	0	0	0	0	0	N/A	N/A	N/A
Administrative expenses	0	0	0	0	0	0	0	N/A	N/A	N/A
Net change in plan fiduciary net position	-10	-3	-6	-16	-22	-32	-16	N/A	N/A	N/A
Fiduciary net position, beginning	876	879	885	901	922.95	955	971	N/A	N/A	N/A
Fiduciary net position, ending (b)	867	876	879	885	901	923	955	N/A	N/A	N/A
Net pension liability, ending = (a)-(b)	\$888	\$1,132	\$905	\$1,010	\$1,279	\$1,258	\$1,015	N/A	N/A	N/A
Fiduciary net position as a % of total pension liab	49.4%	43.6%	49.3%	46.7%	41.3%	42.3%	48.5%	N/A	N/A	N/A
Covered Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	N/A	N/A
Net pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Firefighters Pension Fund**  
**GASB 67 Money-Weighted Rate of Return**

Fiscal Year Ending December 31	Net Money- Weighted Rate of Return
2011	N/A
2012	N/A
2013	N/A
2014	0.35%
2015	0.13%
2016	0.55%
2017	0.92%
2018	1.70%
2019	2.57%
2020	0.74%

**LEOFF 1 Retiree Medical and Long-Term Care Benefits  
GASB 75 Schedule of Changes in Total OPEB Liability and Related Ratios**

\$ Thousands	Fiscal Year Ending December 31:									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Total OPEB Liability</b>										
Service Cost	\$0	\$0	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	328	397	369	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or losses	(37)	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumptions changes or inputs	(309)	1,908	(732)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected benefit payments	(359)	(276)	(227)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	(376)	2,029	(590)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	12,098	10,068	10,658	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending (a)	11,721	12,098	10,068	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered employee payroll	\$0	\$0	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered employee p:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**NOTES TO RSI**

**Local Government Pension Trust Fund - Firefighters Pension Fund**

In addition to the two statewide retirement systems, the City is itself the administrator of a Firemen's Pension System, which is shown as a fiduciary pension trust fund in the financial reports of the City.

Schedules of required supplementary information including a 10-year schedule of changes in the net pension liability and related ratios and a 10-year schedule of the money-weighted rate of return are provided to present multi-year trend information.

Employer contributions for pensions are total contributions to the fund net of disbursements from the fund for medical expenses under RCW 41.26.150. It includes revenues from fire insurance premium taxes. Prior to 2014, administrative expenses were also subtracted from employer contributions. GASB Statement 67 has separated funding from financial reporting. Paragraph 32c of GASB 67 provides guidance for a schedule of an actuarially determined contribution, if such contribution is calculated. The actuarial determined contribution is not calculated due to the fact that benefits are being funded on a pay-as-you-go basis

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and key actuarial assumptions detailed below, and projected forward to the measurement date.

<i>Key Actuarial Assumptions</i>	<b>December 31, 2019</b>	<b>December 31, 2020</b>
Discount Rate	2.75%	2.00%
Long-term rate of return, net	2.75%	2.00%
Municipal bond rate	2.75%	2.00%
Valuation Date	January 1, 2018	January 1, 2020
Measurement Date	December 31, 2019	December 31, 2020
Inflation	2.25%	2.25%
Salary increases-including inflation	3.25%	3.25%
Actuarial cost method	Entry Age Normal	Entry Age Normal
Mortality	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for



**Total OPEB Liability**

In accordance with RCW 41.26, which establishes the Washington Law Enforcement Officers’ and Firefighters Retirement System, the city provides lifetime medical care for law enforcement officers and fire fighters employed prior to October 1, 1977. The City of Mercer Island’s LEOFF Plan 1 (the Health Plan) is a single employer defined benefit healthcare plan administered by the city. The Health Plan provides medical, prescription drug, Medicare premiums, long-term care, and other eligible medical expenses for LEOFF Plan 1 retirees. The Health Plan is closed to new entrants, and dependent spouses and children are not covered. The retiree does not contribute towards the cost of medical care. The Plan does not issue a separate standalone financial report.

The Health Plan is funded on a pay-as-you go basis and there are no assets accumulated in a qualifying trust.

The actuarial assumptions are intended to estimate the future experience of members. Valuation assumptions include:

<i>OPEB - Key Actuarial Assumptions</i>	<b>December 31, 2019</b>	<b>December 31, 2020</b>
Discount Rate	2.75%	2.00%
Long-term care inflation rate	4.50%	4.50%
Valuation Date	January 1, 2018	January 1, 2020
Measurement Date	December 31, 2019	December 31, 2020
Actuarial cost method	Entry Age Normal	Entry Age Normal
Mortality	For service-retired members assumptions are based on the RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and set forward one year for females. For disabled members assumptions are based on RP-2000 Mortality table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set forward two years	For service-retired members assumptions are based on the RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and set forward one year for females. For disabled members assumptions are based on RP-2000 Mortality table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set forward two years

**City of Mercer Island  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2020**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA Department of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	NA	1,101,150	-	1,101,150	-	2, 3, 4
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via King County )	COVID 19 - Coronavirus Relief Fund	21.019	NA	37,372	-	37,372	-	2, 3, 4
<b>Total CFDA 21.019:</b>				<b>1,138,522</b>	<b>-</b>	<b>1,138,522</b>	<b>-</b>	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	2H79SP014301 -06	-	219,293	219,293	-	2, 3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	COVID 19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NA	-	9,120	9,120	-	2, 3, 4
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA Health Care Authority)	Block Grants for Community Mental Health Services	93.958	K3682	16,668	-	16,668	-	2, 3
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA Parks & Recreation Commission)	Boating Safety Financial Assistance	97.012	NA	14,479	-	14,479	-	3, 4
<b>Total Federal Awards Expended:</b>				<b>1,169,669</b>	<b>228,413</b>	<b>1,398,082</b>	<b>-</b>	

Item 2.

The accompanying notes are an integral part of this schedule.

**City of Mercer Island**  
**Notes to Schedule of Expenditures of Federal Awards**  
**(and State/Local Assistance)**  
**For the Year Ended December 31, 2020**

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the City of Mercer Island's financial statements. The City uses the modified accrual basis of accounting for governmental funds and the full accrual basis of accounting for the Government-wide Statements and the proprietary funds.

NOTE 2 - FEDERAL DE MINIMIS INDIRECT COST RATE

The City of Mercer Island has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal (or state/local) grant portion of the program costs. Entire program costs, including the City's portion, may be more than shown. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 4 - NOT AVAILABLE (N/A)

The City was unable to obtain other identification number.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

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(866) 902-3900
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[webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov)



Exit Recommendations  
City of Mercer Island  
Audit Period Ending: 12/31/2020

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We are providing the following exit recommendations for management’s consideration. They are not referenced in the audit report. We may review the status of the following exit items in our next audit.

**Accountability:**

**Police Overtime Approval**

During our review of the police department paid overtime process, we noted the department did not follow proper procedures for approving overtime hours. We noted the following:

- Seven instances where a commander/supervisor had approved their own overtime hours. The Department implemented new procedures for supervisors/commanders to no longer be allowed to approve their own timesheets after fiscal year 2021.

We recommend the department ensure that overtime is reviewed and approved by employees' supervisors per department policy.

**Fire Overtime Approval**

We reviewed the fire department's overtime approval process. We noted the department's policy requires employees' overtime sheets to be signed by the individual and watch commander or other designated supervisor. We noted the following:

- Nine instances where a watch commander signed and approved their own timesheet. As a watch commander, they should have obtained a signature from the Deputy Chief for Fire Chief for secondary review and approval.
- Two instances where timesheets were not signed by the individual, but were signed by a supervisor.
- Two instances where timesheets were signed by the individual, but were not signed by a supervisor.

We recommend the department ensure overtime approvals follow department policy.

**Financial Statements:**

**Payroll Accrual**

The City does not accrue payroll at year-end to ensure it is reported in the correct fiscal period. We calculated the amount of payroll expenditures that were posted to FY2020 that should have been accrued back to 12/31/2019 (2019 expenditures posted to 2020). We also calculated the amount of payroll expenditures that were posted to FY2021 that should have been accrued back to 12/31/2020 (2020 expenditures posted to 2021). Based on our calculation, we determined FY2020 payroll is overstated by \$817,096.



Exit Recommendations  
City of Mercer Island  
Audit Period Ending: 12/31/2020

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We recommend the City establish policies and procedures to accrue payroll to the proper reporting period in accordance with GAAP.

## Summary of Uncorrected Items

Description	Statement / Schedule	Opinion Unit
Cash & Investments is understated by \$78,395 This amount represents the City's contribution to ARCH that is held in the ARCH Trust Fund account	Statement of Net Position	Governmental Activities
General Fund payroll expenditures are overstated by \$564,338 due to the City not performing a year-end accrual for payroll	Statement of Revenues, Expenditures, and Change in Fund Balance	General Fund
Street Fund payroll expenditures are overstated by \$7,349 due to the City not performing a year-end accrual for payroll	Statement of Revenues, Expenditures, and Change in Fund Balance	Street Fund
Capital Improvement Fund payroll expenditures are understated by \$2,319 due to the City not performing a year-end accrual for payroll	Statement of Revenues, Expenditures, and Change in Fund Balance	Capital Improvement Fund
Water Fund payroll expenses are overstated by \$38,176.42 due to the City not performing a year-end accrual for payroll	Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position	Water Fund
Sewer Fund payroll expenses are overstated by \$25,547 due to the City not performing a year-end accrual for payroll	Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position	Sewer Fund
Storm Drain Fund payroll expenditures are overstated by \$22,881 due to the City not performing a year-end accrual for payroll	Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position	Storm Drain Fund
Aggregate Remaining Fund payroll expenditures/expenses are overstated by \$95,642 due to the City not performing a year-end accrual for payroll	Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position  Statement of Revenues, Expenditures, and Change in Fund Balance	ARF
Governmental Activities payroll expenses are overstated by \$665,011 due to the City not performing a year-end accrual for payroll	Statement of Activities	Governmental Activities
Storm and Surface Water Fund expenditures are understated by \$25,401 due to the City not performing a year-end accrual for an invoice expenditure dated for 1/12/2021 for work that was completed in FY2020.	Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position  Statement of Revenues, Expenditures, and Change in Fund Balance	Storm Drain Fund



**TO**

**DATE:** 15 March 2022

**Office of the Washington State Auditor**

40 Lake Bellevue Drive Suite 123,  
Bellevue, WA 98005

To the Office of the Washington State Auditor:

We are providing this letter in connection with your audit of City of Mercer Island for the period from January 1, 2020 through December 31, 2020. Representations are in relation to matters existing during or subsequent to the audit period up to the date of this letter.

Certain representations in this letter are described as being limited to matters that are significant or material. Information is considered significant or material if it is probable that it would change or influence the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, having made appropriate inquiries to be able to provide our representations, the following representations made to you during your audit. If we subsequently discover information that would change our representations related to this period, we will notify you in a timely manner.

**General Representations:**

1. We have provided you with unrestricted access to people you wished to speak with and made available requested and relevant information of which we are aware, including:
  - a. Financial records and related data.
  - b. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - c. Other internal or external audits, examinations, investigations or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.
  - d. Communications from regulatory agencies, government representatives or others concerning possible material noncompliance, deficiencies in internal control or other matters that might concern the objectives of the audit.
  - e. Related party relationships and transactions.
  - f. Results of our internal assessment of business risks and risks related to financial reporting, compliance and fraud.



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2. We acknowledge our responsibility for compliance with requirements related to confidentiality of certain information, and have notified you whenever records or data containing information subject to any confidentiality requirements were made available.
3. We acknowledge our responsibility for compliance with applicable laws, regulations, contracts and grant agreements.
4. We have identified and disclosed all laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
5. We have complied with all material aspects of laws, regulations, contracts and grant agreements.
6. We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations and safeguarding of public resources, including controls to prevent and detect fraud.
7. We have established adequate procedures and controls to provide reasonable assurance of safeguarding public resources and compliance with applicable laws and regulations.
8. We have no knowledge of any loss of public funds or assets or other illegal activity, or any allegations of fraud or suspected fraud involving management or employees.
9. In accordance with RCW 43.09.200, all transactions have been properly recorded in the financial records, notwithstanding immaterial uncorrected items referenced below.

**Additional representations related to the financial statements:**

10. We acknowledge our responsibility for fair presentation of financial statements and believe financial statements are fairly presented in conformity with generally accepted accounting principles in the United States of America.
11. We acknowledge our responsibility for establishing and maintaining effective internal control over financial reporting.
12. The financial statements include financial information of the primary government and all component units, fiduciary and other activity required by generally accepted accounting principles to be included in the financial reporting entity.
13. The financial statements properly classify all funds and activities.
14. All funds that meet the quantitative criteria in GASB requirements or are otherwise particularly important to financial statement users, are presented as major funds.

**GEORGE BOGARD**  
Manager



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15. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and depreciated as applicable.
16. We have no plans or intentions that may materially affect the reported value or classification of assets, liabilities or net position.
17. Revenues are appropriately classified by fund and account.
18. Expenses have been appropriately classified by fund and account, and allocations have been made on a reasonable basis.
19. Net position components (net investment in capital assets, restricted and unrestricted) and fund balance components (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, as applicable, approved.
20. Significant assumptions we used in making accounting estimates are reasonable.
21. The following have been properly classified, reported and disclosed in the financial statements, as applicable:
  - a. Interfund, internal, and intra-entity activity and balances.
  - b. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - c. Joint ventures and other related organizations.
  - d. Guarantees under which the government is contingently liable.
  - e. All events occurring subsequent to the fiscal year end through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
  - f. Effects of all known actual or possible litigation, claims, assessments, violations of laws, regulations, contracts or grant agreements, and other loss contingencies.
22. We have accurately disclosed to you all known actual or possible pending or threatened litigation, claims or assessments whose effects should be considered when preparing the financial statements. We have also accurately disclosed to you the nature and extent of our consultation with outside attorneys concerning litigation, claims and assessments.
23. We acknowledge our responsibility for reporting supplementary information, (such as the Schedule of Expenditures of Federal Awards) in accordance with applicable requirements and believe supplementary information is fairly presented, in both form and content in accordance with those requirements.
24. We have disclosed to you all significant changes to the methods of measurement and presentation of supplementary information, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation.
25. We acknowledge our responsibility for the supplementary information required by generally accepted accounting principles in the United States (RSI) and believe RSI is measured and presented within prescribed guidelines.



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26. We have disclosed to you all significant changes in the methods of measurement and presentation of RSI, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation of the RSI.
27. We believe the effects of uncorrected financial statement misstatements summarized in the schedule of uncorrected items provided to us by the auditor are not material, both individually and in the aggregate, to each applicable opinion unit.
28. We acknowledge our responsibility not to publish any document containing the audit report with any change in the financial statements, supplementary and other information referenced in the auditor's report. We will contact the auditor if we have any needs for publishing the audit report with different content included.

**Additional representations related to expenditures under federal grant programs:**

29. We acknowledge our responsibility for complying, and have complied, with the requirements of 2 CFR § 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*.
30. With regards to your audit of federal grant programs, we have made available all relevant and requested information of which we are aware, including:
- a. All federal awards and related grant agreements (including amendments, if any), contracts with pass-through entities, service organizations and vendors, and correspondence.
  - b. All communications from federal awarding agencies, vendors, service organizations or pass-through entities concerning possible noncompliance.
  - c. All information regarding corrective actions taken and management decisions or follow-up work performed by federal or pass-through agencies on any findings reported in the past.
  - d. All documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
  - e. Interpretations or other support for any situations where compliance with requirements might be questionable or unclear.
31. We have identified and complied with all direct and material compliance requirements of federal awards.
32. Management is responsible for establishing effective internal control and has maintained sufficient control over federal programs to provide reasonable assurance that awards are managed in compliance with laws, regulations, contracts or grant agreements that could have a material effect on each of our federal awards.
33. Federal program financial reports and claims for advances and reimbursements are supported by the accounting records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the Schedule of Expenditures of Federal Awards.



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- 34. Copies of federal program reports provided to you are true copies of the reports submitted, or electronically transmitted, to federal agencies or pass-through agencies, as applicable.
- 35. We are responsible for, and will accurately prepare, the auditee section of the Data Collection Form as required by the Uniform Guidance.



**JESSI BON**  
City Manager

*Lajuan Tuttle*

**LAJUAN TUTTLE**  
Deputy Finance Director



206-275-7600



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## BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6035  
March 15, 2022  
Consent Agenda

### AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 6035: February 25, 2022 Payroll Certification	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Approve the February 25, 2022 Payroll Certification in the amount of \$863,447.26.	

<b>DEPARTMENT:</b>	Human Resources		
<b>STAFF:</b>	Ali Spietz, Chief of Administration		
<b>COUNCIL LIAISON:</b>	n/a		
<b>EXHIBITS:</b>	1. February 25, 2022 Payroll Certification		
<b>CITY COUNCIL PRIORITY:</b>	n/a		

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

### SUMMARY

This is an approval of the payroll certification for the City of Mercer Island for the period from February 5, 2022 through February 18, 2022 in the amount of \$863,447.26 (see Exhibit 1).

### BACKGROUND

[RCW 42.24.080](#) requires that all claims presented against the City by performing labor must be certified by the appropriate official to ensure that the labor was performed as described, and that the claims are just, due, and unpaid obligations against the City, before payment can be made. [RCW 42.24.180](#) allows the payment of claims to occur prior to City Council approval to expedite processing of the payment of claims, provided, however, that review and approval of the claims' documentation occurs at the next regularly scheduled public meeting.

The Payroll Certification details the total payment to employees for labor performed and benefits payments made for each payroll. The City is on a bi-weekly payroll schedule with payments on every other Friday.

### PAYROLL INFORMATION

Each payroll varies depending on several factors (i.e., number of employees, pay changes, leave cash outs, overtime, etc.) In addition to regular pay for employees, this payroll has variants that are outlined at the top of page 2:

**Additional payments:**

- \$6,554.52 in leave cash outs for terminated employees.
- \$9,805.00 in leave cash outs for current employees.
- \$60,695.68 in overtime earnings (see chart for overtime hours by department).

**Overtime hours by department:**

Department	Hours
Administrative Services	
City Attorney's Office	
City Manager's Office	
Community Planning & Development	1.00
Finance	
Fire	575.25
Municipal Court	
Police	231.50
Public Works	26.00
Youth & Family Services	
<b>Total Overtime Hours</b>	<b>833.75</b>

**FTE/LTE COUNTS**

The table below shows the budgeted versus actual counts for Full Time Equivalents (FTEs) and Limited Term Equivalents (LTEs) for the current payroll. Temporary and seasonal employees are not included.

Full Time Equivalents (FTEs)	2022 Budgeted	2022 Actual
Administrative Services	13.50	12.50
City Attorney's Office	2.00	2.00
City Manager's Office	4.00 <sup>5</sup>	4.00
Community Planning & Development	17.50 <sup>3</sup>	17.50
Finance	8.00	7.00
Fire	32.00	30.00
Municipal Court	3.30	3.10
Police	37.50 <sup>1</sup>	34.50
Public Works	61.30	57.30
Recreation	10.25 <sup>6</sup>	7.25
Thrift Shop	2.00 <sup>8</sup>	1.00
Youth & Family Services	11.43 <sup>2</sup>	11.43
<b>Total FTEs</b>	<b>203.78</b>	<b>187.58</b>
Limited Term Equivalents (LTEs)	2022 Budgeted	2022 Actual
Administrative Services	1.00 <sup>4</sup>	1.00
City Manager's Office	1.00 <sup>7</sup>	0.00
Community Planning & Development	1.50 <sup>3</sup>	1.50
Thrift Shop	5.20	5.20
Youth & Family Services	1.60	1.10
<b>Total LTEs</b>	<b>9.30</b>	<b>8.80</b>
<b>Total FTEs &amp; LTEs</b>	<b>213.08</b>	<b>196.38</b>

**Footnotes:**

- <sup>1</sup> 5/18/2021: Authorized hire ahead of two officers 2.0 FTE ([AB 5874](#))
- <sup>2</sup> 1/5/2021: Authorized increase of 1.37 FTE in YFS ([AB 5795](#))
- <sup>3</sup> 9/21/2021: Authorized increase of 2.0 FTE and 0.5 LTE in CPD ([AB 5942](#))
- <sup>4</sup> 9/21/2021: Authorized increase of 1.0 LTE in Admin Services – HR ([AB 5942](#))
- <sup>5</sup> 10/19/2021: Authorized increase of 0.5 LTE in City Manager’s Office ([AB 5961](#))
- <sup>6</sup> 11/1/2021: Authorized restoration of 9.5 FTE in Public Works – Recreation ([AB 5954](#))
- <sup>7</sup> 12/7/2021: Authorized increase of 1.0 FTE in Thrift Shop ([AB 5992](#))
- <sup>8</sup> 12/7/2021: Authorized increase of 1.0 LTE in City Manager’s Office ([AB 5992](#))

**RECOMMENDED ACTION**

Approve the February 25, 2022 Payroll Certification (Exhibit 1) in the amount of \$863,447.26 and authorize the Mayor to sign the certification on behalf of the entire City Council.

# CITY OF MERCER ISLAND PAYROLL CERTIFICATION

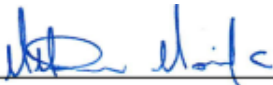
Item 3.

**PAYROLL PERIOD ENDING** **2.18.2022**  
**PAYROLL DATED** **2.25.2022**

Net Cash	\$	567,683.26
Net Voids/Manuals		
<b>Net Total</b>	<b>\$</b>	<b>567,683.26</b>
Federal Tax Deposit	\$	90,492.33
Social Security and Medicare Taxes	\$	50,381.49
Medicare Taxes Only (Fire Fighter Employees)	\$	2,611.77
State Tax (Oregon and Massachusetts)	\$	154.78
Family/Medical Leave Tax (Massachusetts)	\$	3.18
Public Employees' Retirement System (PERS Plan 2)	\$	24,551.81
Public Employees' Retirement System (PERS Plan 3)	\$	6,454.48
Public Employees' Retirement System (PERSJM)	\$	548.30
Public Safety Employees' Retirement System (PSERS)	\$	209.46
Law Enforcement Officers' & Fire Fighters' Retirement System (LEOFF Plan2)	\$	29,313.59
Regence & LEOFF Trust Medical Insurance Deductions	\$	14,444.22
Domestic Partner Medical Insurance Deductions	\$	1,567.34
Kaiser Medical Insurance Deductions	\$	611.31
Health Care - Flexible Spending Account Contributions	\$	1,500.00
Dependent Care - Flexible Spending Account Contributions	\$	1,107.38
ICMA Roth IRA Contributions	\$	634.23
ICMA 457 Deferred Compensation Contributions	\$	33,534.27
Fire Nationwide 457 Deferred Compensation Contributions	\$	18,805.08
Fire Nationwide Roth IRA Contributions	\$	1,075.00
ICMA 401K Deferred Compensation Contributions	\$	788.46
Child Support Wage Garnishment	\$	706.03
Mercer Island Employee Association Dues	\$	222.50
AFSCME Union Dues	\$	2,588.60
Police Union Dues	\$	2,723.86
Fire Union Dues	\$	2,224.59
Fire Union Supplemental Dues	\$	160.00
Standard - Supplemental Life Insurance	\$	393.30
Unum - Long Term Care Insurance	\$	1,258.45
AFLAC - Supplemental Insurance Plans	\$	295.17
Coffee Club Dues	\$	128.00
Transportation - Flexible Spending Account Contributions	\$	62.50
Fire HRA-VEBA Contributions	\$	6,210.44
Oregon Transit Tax and Oregon Benefit Tax	\$	2.08
<b>Tax &amp; Benefit Obligations Total</b>	<b>\$</b>	<b>295,764.00</b>

<b>TOTAL GROSS PAYROLL</b>		<b>\$ 863,447.26</b>
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I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Mercer Island, and that I am authorized to authenticate and certify to said claim.



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Finance Director

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

223	Mayor	Date
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CERTIFICATION OF CLAIMS

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



\_\_\_\_\_  
Finance Director

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

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

<u>Report</u>	<u>Warrants</u>	<u>Date</u>	<u>Amount</u>
Check Register	210901-211018	2/25/2022	\$529,550.66
			\$529,550.66



**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: 402000 - Water Fund-Admin Key</i>				
	00210975	MERCER PARK SOUTH LLC	REFUND OVERPAY 003001470	5,440.65
P0113571	00210944	H D FOWLER	INVENTORY PURCHASES	4,491.26
P0113582	00211005	TRAFFIC SAFETY SUPPLY	INVENTORY PURCHASES	1,361.70
	00210927	COULMAN, DON	REFUND OVERPAY 00524640504	428.15
	00210971	MARTIN, MARGARET	REFUND OVERPAY 00266450003	389.09
P0113563	00210942	GRAINGER	INVENTORY PURCHASES	388.27
	00211002	THOMAS, ROSA & BRIAN	REFUND OVERPAY 00689768003	220.46
	00210989	RKK CONSTRUCTION	REFUND OVERPAY 002009701	168.26
	00210973	MCNAMMEE, JOE	REFUND OVERPAY 00306005922	56.81
<i>Org Key: 814075 - Mercer Island Emp Association</i>				
	00210977	MI EMPLOYEES ASSOC	PAYROLL EARLY WARRANTS	222.50
<i>Org Key: 814076 - City &amp; Counties Local 21M</i>				
	00211018	WSCCCE AFSCME AFL-CIO	PAYROLL EARLY WARRANTS	2,588.60
<i>Org Key: 814077 - Police Association</i>				
	00210985	POLICE ASSOCIATION	PAYROLL EARLY WARRANTS	2,723.86
<i>Org Key: CA1100 - Administration (CA)</i>				
	00211008	US BANK CORP PAYMENT SYS	Office Supplies	121.26
	00211008	US BANK CORP PAYMENT SYS	Tuition & Registrations	35.00
<i>Org Key: CM1100 - Administration (CM)</i>				
	00211008	US BANK CORP PAYMENT SYS	City Action Days Registration	25.00
<i>Org Key: CM1200 - City Clerk</i>				
	00211008	US BANK CORP PAYMENT SYS	Conference Registration - Lars	425.00
	00211008	US BANK CORP PAYMENT SYS	Webinar Registration (Great Co	50.00
	00211008	US BANK CORP PAYMENT SYS	Webinar Registration - Larson	35.00
<i>Org Key: CM1400 - Communications</i>				
	00211008	US BANK CORP PAYMENT SYS	Annual Subscription	593.34
	00211008	US BANK CORP PAYMENT SYS	Supplies	44.09
	00211008	US BANK CORP PAYMENT SYS	Monthly Subscription	15.96
<i>Org Key: CO6100 - City Council</i>				
	00211008	US BANK CORP PAYMENT SYS	P&R Commission Recognition	149.60
	00211008	US BANK CORP PAYMENT SYS	Webinar Registration (Great Co	100.00
	00211008	US BANK CORP PAYMENT SYS	Computer Supplies	56.12
	00211008	US BANK CORP PAYMENT SYS	Computer Supplies	53.95
	00211008	US BANK CORP PAYMENT SYS	Mayors Exchange Registration -	50.00
	00211008	US BANK CORP PAYMENT SYS	P&R Commission Recognition - M	27.93
	00211008	US BANK CORP PAYMENT SYS	Computer Supplies	27.51
	00211008	US BANK CORP PAYMENT SYS	City Action Days Registration	25.00
<i>Org Key: CR1100 - Human Resources</i>				
P0113685	00210967	LIFECORE FITNESS INC	REPLACE CITY HALL FITNESS EQUI	2,999.00
P0113686	00210923	CONCEPT 2	REPLACE CITY HALL FITNESS EQUI	996.41
P0113624	00210972	MATZKE, NORMAN	Polygraphs for new hire in	750.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	199.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	199.00

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	180.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	180.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	130.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	130.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	119.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	90.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	90.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	90.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	90.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	90.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	90.00
	00211008	US BANK CORP PAYMENT SYS	Recruitment advertisement	90.00
	00211008	US BANK CORP PAYMENT SYS	Services-Information Security	75.00
	00211008	US BANK CORP PAYMENT SYS	Services-Information Security	75.00
P0113614	00210934	EQUIFAX INFORMATION SVCS LLC	Background of New Officers -	56.54
	00211008	US BANK CORP PAYMENT SYS	Office supplies	55.02
	00211008	US BANK CORP PAYMENT SYS	Employee Recognition	50.00
	00211008	US BANK CORP PAYMENT SYS	Office supplies	27.63
<b>Org Key: CT1100 - Municipal Court</b>				
	00211008	US BANK CORP PAYMENT SYS	Professional Services	88.07
	00211008	US BANK CORP PAYMENT SYS	Professional Services	66.05
	00211008	US BANK CORP PAYMENT SYS	Office Supplies	53.56
	00211008	US BANK CORP PAYMENT SYS	Office Supplies	30.82
<b>Org Key: DS1100 - Administration (DS)</b>				
P0113656	00210937	FEHR & PEERS	Impact Fee Update	9,144.20
P0113549	00210910	BERK CONSULTING	impact fee update	2,506.25
	00211008	US BANK CORP PAYMENT SYS	Services - Technology Fee	659.50
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	600.00
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	600.00
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	273.95
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	223.97
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	200.00
	00211008	US BANK CORP PAYMENT SYS	Printer toner for CPD printer	163.38
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	138.50
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	137.45
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	113.07
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	76.10
	00211008	US BANK CORP PAYMENT SYS	Services - Technology Fee	72.64
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	53.29
<b>Org Key: DS1200 - Bldg Plan Review &amp; Inspection</b>				
	00210955	Judge, Tom	B1 EXAM	219.00
<b>Org Key: FN1100 - Administration (FN)</b>				
P0113633	00210997	STATE AUDITOR'S OFFICE	FYE20 Annual Audit	2,552.00
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	169.15
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	54.10
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	45.08
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	26.36
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	8.75

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: FN2100 - Data Processing</i>				
P0113583	00210976	METROPRESORT	JAN 2022 CHANGE OF ADDRESS UPD	43.67
<i>Org Key: FN4501 - Utility Billing (Water)</i>				
P0113583	00210976	METROPRESORT	FEB 2022 PRINTING & MAILING OF	77.74
P0113583	00210976	METROPRESORT	FEB 2022 PRINTING & MAILING OF	70.25
<i>Org Key: FN4502 - Utility Billing (Sewer)</i>				
P0113583	00210976	METROPRESORT	FEB 2022 PRINTING & MAILING OF	77.75
P0113583	00210976	METROPRESORT	FEB 2022 PRINTING & MAILING OF	70.26
<i>Org Key: FN4503 - Utility Billing (Storm)</i>				
P0113583	00210976	METROPRESORT	FEB 2022 PRINTING & MAILING OF	77.77
P0113583	00210976	METROPRESORT	FEB 2022 PRINTING & MAILING OF	70.25
<i>Org Key: FR1100 - Administration (FR)</i>				
P0113562	00211012	WALTER E NELSON CO	Stock Household Supplies	1,750.96
P0113586	00210928	CULLIGAN SEATTLE WA	Water Service/Fire	260.75
	00211008	US BANK CORP PAYMENT SYS	Office Supplies	229.01
P0113585	00210904	ASPECT SOFTWARE INC	Telestaff Monthly Maintenance	165.15
	00211008	US BANK CORP PAYMENT SYS	Department Membership	165.04
	00211008	US BANK CORP PAYMENT SYS	Masks	15.89
	00211008	US BANK CORP PAYMENT SYS	Masks	15.89
	00211008	US BANK CORP PAYMENT SYS	Department membership	14.30
<i>Org Key: FR1200 - Fire Marshal</i>				
	00211008	US BANK CORP PAYMENT SYS	Payment for Classes in 2021 we	1,890.00
<i>Org Key: FR2100 - Fire Operations</i>				
	00211008	US BANK CORP PAYMENT SYS	Heavyduty Multi Tools	231.03
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	120.56
P0112786	00210922	COMCAST	Internet Charges/Fire	120.22
P0113588	00210922	COMCAST	Internet Charges/Fire	72.41
P0112787	00210922	COMCAST	Internet Charges/Fire	72.41
P0113387	00210922	COMCAST	Internet Charges/Fire	72.41
	00211008	US BANK CORP PAYMENT SYS	Stock Batteries	66.04
P0112442	00210922	COMCAST	Internet Charges/Fire	62.41
	00211008	US BANK CORP PAYMENT SYS	SCBA Respirator Cartridges	52.24
	00211008	US BANK CORP PAYMENT SYS	Batteries	24.08
	00211008	US BANK CORP PAYMENT SYS	Shipment to Kroesens	15.39
	00211008	US BANK CORP PAYMENT SYS	Shipment to Kroesens	12.00
	00211008	US BANK CORP PAYMENT SYS	Shipment to Day Wireless/Radio	12.00
	00211008	US BANK CORP PAYMENT SYS	Shipment to Day Wireless/Radio	11.70
P0113388	00210922	COMCAST	Internet Charges/Fire	11.41
P0112782	00210922	COMCAST	Internet Charges/Fire	11.33
<i>Org Key: FR2500 - Fire Emergency Medical Svcs</i>				
	00211008	US BANK CORP PAYMENT SYS	Defib Supplies	287.34
P0113589	00210903	AIRGAS USA LLC	Oxygen/Fire	18.94
P0113587	00210998	STERICYCLE INC	On-Call Charges/Fire	10.36
<i>Org Key: GE0107 - Fleet Replacements</i>				
P0111403	00210916	BUD CLARY FORD HYUNDAI	2022 FORD POLICE INTERCEPTOR F	37,550.84

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0111403	00210916	BUD CLARY FORD HYUNDAI	2022 FORD POLICE INTERCEPTOR F	37,550.84
P0111403	00210916	BUD CLARY FORD HYUNDAI	2022 FORD POLICE INTERCEPTOR F	37,550.84
<i>Org Key: GGM004 - Gen Govt-Office Support</i>				
P0113584	00210958	KELLEY IMAGING SYSTEMS	Copier Service Fees Jan 2022 I	1,019.57
<i>Org Key: GGM005 - Genera Govt-L1 Retiree Costs</i>				
P0113677	00210931	DEVENY, JAN P	LEOFF1 Retiree LTC Expenses	11,811.00
	00210966	LEOFF HEALTH & WELFARE TRUST	POLICE RETIREES	6,123.89
P0113673	00211011	WALLACE, THOMAS	LEOFF1 Retiree LTC Expenses	6,000.00
	00210965	LEOFF HEALTH & WELFARE TRUST	FIRE RETIREES	3,223.11
	00210945	HAGSTROM, JAMES	LEOFF1 Medicare Reimb	653.20
	00210948	HILTNER, PETER	LEOFF1 Medicare Reimb	619.50
P0113674	00210964	KUHN, DAVID	LEOFF1 Retiree Medical Expense	615.00
	00210917	CARLSON, LARRY	RETIREE MEDICARE REIM	553.50
P0113679	00210930	DEEDS, EDWARD G	LEOFF1 Retiree Medical Expense	462.24
P0113680	00210913	BOOTH, GLENDON D	LEOFF1 Retiree Medical Expense	360.19
P0113678	00210931	DEVENY, JAN P	LEOFF1 Retiree Medical Expense	357.60
	00211003	THOMPSON, JAMES	LEOFF1 Medicare Reimb	344.90
P0113675	00210940	GOODMAN, J C	LEOFF1 Retiree Medical Expense	332.43
P0113672	00211011	WALLACE, THOMAS	LEOFF1 Retiree Medical Expense	311.66
	00210940	GOODMAN, J C	LEOFF1 Medicare Reimb	276.20
	00210930	DEEDS, EDWARD G	LEOFF1 Medicare Reimb	271.10
	00210938	FORSMAN, LOWELL	LEOFF1 Medicare Reimb	271.10
	00210932	DOWD, PAUL	LEOFF1 Medicare Reimb	241.66
	00210991	SCHOENTRUP, WILLIAM	LEOFF1 Medicare Reimb	240.60
	00210901	ABBOTT, RICHARD	LEOFF1 Medicare Reimb	239.10
	00210908	BARNES, WILLIAM	LEOFF1 Medicare Reimb	222.40
	00210996	SMITH, RICHARD	LEOFF1 Medicare Reimb	220.70
	00210969	LYONS, STEVEN	LEOFF1 Medicare Reimb	211.80
	00210933	ELSOE, RONALD	LEOFF1 Medicare Reimb	208.30
	00210902	ADAMS, RONALD E	LEOFF1 Medicare Reimb	206.60
	00210964	KUHN, DAVID	LEOFF1 Medicare Reimb	205.60
	00210913	BOOTH, GLENDON D	LEOFF1 Medicare Reimb	202.60
	00211014	WEGNER, KEN	LEOFF1 Medicare Reimb	195.60
	00210906	AUGUSTSON, THOR	LEOFF1 Medicare Reimb	192.80
	00210968	LOISEAU, LERI M	LEOFF1 Medicare Reimb	192.80
	00211011	WALLACE, THOMAS	LEOFF1 Medicare Reimb	183.10
	00210931	DEVENY, JAN P	LEOFF1 Medicare Reimb	182.00
	00210990	RUCKER, MANORD J	LEOFF1 Medicare Reimb	181.70
	00211016	WHEELER, DENNIS	LEOFF1 Medicare Reimb	181.70
	00210980	MYERS, JAMES S	LEOFF1 Medicare Reimb	179.80
	00210954	JOHNSON, CURTIS	LEOFF1 Medicare Reimb	175.50
P0113676	00210933	ELSOE, RONALD	LEOFF1 Retiree Medical Expense	152.30
P0113681	00210902	ADAMS, RONALD E	LEOFF1 Retiree Medical Expense	138.88
	00210986	RAMSAY, JON	LEOFF1 Medicare Reimb	136.20
P0113676	00210933	ELSOE, RONALD	LEOFF1 Retiree Medical Expense	51.74
<i>Org Key: GGM606 - Excess Retirement-Fire</i>				
	00210908	BARNES, WILLIAM	LEOFF1 Excess Benefit	2,505.46
	00210924	COOPER, ROBERT	LEOFF1 Excess Benefit	2,463.85

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00210954	JOHNSON, CURTIS	LEOFF1 Excess Benefit	1,542.90
	00210991	SCHOENTRUP, WILLIAM	LEOFF1 Excess Benefit	1,244.27
	00210986	RAMSAY, JON	LEOFF1 Excess Benefit	816.97
<i>Org Key: GX9996 - Employee Benefits-Police</i>				
	00210966	LEOFF HEALTH & WELFARE TRUST	POLICE	41,723.36
	00210966	LEOFF HEALTH & WELFARE TRUST	POLICE SUPPORT	6,163.79
	00210966	LEOFF HEALTH & WELFARE TRUST	BILLING ADJUSTMENTS	-1,619.43
<i>Org Key: GX9997 - Employee Benefits-Fire</i>				
	00210965	LEOFF HEALTH & WELFARE TRUST	FIRE ACTIVE	53,559.90
<i>Org Key: IGVO02 - ARCH</i>				
P0113688	00210909	BELLEVUE, CITY OF	ARCH Contributions Q1 2022	13,816.00
P0113688	00210909	BELLEVUE, CITY OF	ARCH Contributions Q2 2022	13,816.00
<i>Org Key: IS2100 - IGS Network Administration</i>				
	00211008	US BANK CORP PAYMENT SYS	Computer Supplies	175.30
	00211008	US BANK CORP PAYMENT SYS	Computer Supplies	143.05
	00211008	US BANK CORP PAYMENT SYS	Computer Supplies	104.01
	00211008	US BANK CORP PAYMENT SYS	Professional Services	73.42
	00211008	US BANK CORP PAYMENT SYS	Computer Supplies	41.82
	00211008	US BANK CORP PAYMENT SYS	Computer Supplies	26.41
	00211008	US BANK CORP PAYMENT SYS	Professional Services	5.92
<i>Org Key: MT1400 - Development Engineering</i>				
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	110.89
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	26.40
<i>Org Key: MT2100 - Roadway Maintenance</i>				
P0113591	00210956	KC FINANCE	PROJECT # 1135626 ISL CRST WY	471.34
P0113578	00210979	MI UTILITY BILLS	JAN 2022 PAYMENT OF UTILITY BI	117.22
P0113561	00211001	TACOMA SCREW PRODUCTS INC	5/16" X 2" GALV. LAG SCREWS (2	86.03
P0113581	00211005	TRAFFIC SAFETY SUPPLY	STREET SIGN	72.79
P0113582	00211005	TRAFFIC SAFETY SUPPLY	NO U TURN SYMBOL 12 X 12	29.18
<i>Org Key: MT2300 - Planter Bed Maintenance</i>				
P0113578	00210979	MI UTILITY BILLS	JAN 2022 PAYMENT OF UTILITY BI	796.38
<i>Org Key: MT3100 - Water Distribution</i>				
P0113578	00210979	MI UTILITY BILLS	JAN 2022 PAYMENT OF UTILITY BI	1,866.79
P0113569	00210944	H D FOWLER	6" BOLT KITS	330.77
	00211008	US BANK CORP PAYMENT SYS	Repair & Maintenance Services	187.16
P0113568	00210944	H D FOWLER	1 1/2" MALE IRON PIPE ADAPTER	167.35
P0113503	00210944	H D FOWLER	4" MJ PLUG DI & 4" GASKET & T-	61.62
<i>Org Key: MT3150 - Water Quality Event</i>				
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	218.02
P0113574	00210915	BRANOM OPERATING COMPANY LLC	BACKFLOW TEST KIT	168.72
<i>Org Key: MT3400 - Sewer Collection</i>				
P0113578	00210979	MI UTILITY BILLS	JAN 2022 PAYMENT OF UTILITY BI	882.35
<i>Org Key: MT3600 - Sewer Associated Costs</i>				

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00210907	BAKER, DENNIS L	WATER CERT RENEWAL	140.00
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	63.31
	00210914	BOROVINA, RAYMOND	COMMERCIAL LEARNERS PERMIT	42.25
<i>Org Key: MT3800 - Storm Drainage</i>				
P0108760	00210983	Olson Brother's Pro-Vac LLC	2020-22 On-Call Stormwater CCT	3,475.00
P0108760	00210983	Olson Brother's Pro-Vac LLC	2020-22 On-Call Stormwater CCT	3,350.00
P0108760	00210983	Olson Brother's Pro-Vac LLC	2020-22 On-Call Stormwater CCT	2,136.00
P0113578	00210979	MI UTILITY BILLS	JAN 2022 PAYMENT OF UTILITY BI	88.24
	00210959	KELLEY, CHRIS M	CALLOUT/LOCATE	18.71
<i>Org Key: MT4150 - Support Services - Clearing</i>				
	00211008	US BANK CORP PAYMENT SYS	Travel Expense	49.91
<i>Org Key: MT4200 - Building Services</i>				
P0113578	00210979	MI UTILITY BILLS	JAN 2022 PAYMENT OF UTILITY BI	12,235.39
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	619.20
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	107.86
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	56.89
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	49.42
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	17.56
<i>Org Key: MT4300 - Fleet Services</i>				
P0113566	00210960	JNJ INC	REBUILD TRANSMISSION FOR VEC.	4,711.41
P0113567	00210981	NELSON PETROLEUM	2022 DIESEL DELIVERY	2,502.49
P0113625	00210993	SEATTLE BOAT COMPANY	Boat Fuel on 9/6/2021 - Invoice	569.16
P0113625	00210993	SEATTLE BOAT COMPANY	Boat Fuel on 9/6/2021 - Invoice	436.86
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	127.21
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	66.05
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	64.00
<i>Org Key: MT4403 - Customer Response - Water</i>				
	00210959	KELLEY, CHRIS M	CALLOUT/LOCATE	37.40
<i>Org Key: MT6100 - Park Maintenance</i>				
P0113572	00210982	NW PLAYGROUND EQUIPMENT INC	PLAYGROUND EQUIPMENT	1,235.04
	00211008	US BANK CORP PAYMENT SYS	Vehicle magnet printing	363.33
	00211008	US BANK CORP PAYMENT SYS	Needle disposal	181.41
	00210994	Seth, Brady	COMMERCIAL DRIVERS LIC	115.50
	00210943	Gregg, Jenni	PESTICIDE ONLINE COURSE	90.00
	00211008	US BANK CORP PAYMENT SYS	High-vis hats	55.17
	00210926	CORROON, KYLE	WSDA PESTICIDE RENEWAL	51.50
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	23.11
	00211008	US BANK CORP PAYMENT SYS	Playground buttons	19.79
<i>Org Key: MT6600 - Park Maint School Fields</i>				
	00211008	US BANK CORP PAYMENT SYS	Baseball nets	719.98
<i>Org Key: MT6900 - Aubrey Davis Park Maint</i>				
P0113572	00210982	NW PLAYGROUND EQUIPMENT INC	PLAYGROUND EQUIPMENT	676.78
<i>Org Key: PA0100 - Open Space Management</i>				
	00211008	US BANK CORP PAYMENT SYS	Potting soil	69.26

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00211008	US BANK CORP PAYMENT SYS	Pesticide license continuing e	60.00
	00211008	US BANK CORP PAYMENT SYS	Car wash for city vehicle 372	12.25
<i>Org Key: PA0109 - Aubrey Davis Park Trail Safety</i>				
P0112473	00210962	KPG	Aubrey Davis Park Trail Safety	11,720.00
<i>Org Key: PA0122 - Luther Burbank Dock Repair &amp; R</i>				
P0107597	00210961	KPFF CONSULTING ENGINEERS	Floating Docs - Luther Burbank	1,005.66
<i>Org Key: PA0123 - Luther Burbank Minor Capital L</i>				
	00211008	US BANK CORP PAYMENT SYS	Portable toilet for Bike Skill	275.00
	00211008	US BANK CORP PAYMENT SYS	Bare root plants for Bike Skil	189.14
	00211008	US BANK CORP PAYMENT SYS	Plants for Bike Skills Area	87.12
<i>Org Key: PA0133 - MICEC Tech &amp; Equipment Replace</i>				
P0113564	00210920	CivicPlus	PRODUCTIVITY STARTER SYSTEM AN	16,206.73
<i>Org Key: PA122A - LB North Pier Renovation</i>				
P0107597	00210961	KPFF CONSULTING ENGINEERS	Fixed Pier Luther Burbank Dock	319.05
<i>Org Key: PA122B - LB Shoreline Access Improvemen</i>				
P0107597	00210961	KPFF CONSULTING ENGINEERS	Luther Burbank Dock Repair and	1,339.23
<i>Org Key: PA122C - LB Non-Motorized Boat Dock</i>				
P0107597	00210961	KPFF CONSULTING ENGINEERS	Luther Burbank Dock Repair and	608.96
<i>Org Key: PA122D - LB Storm Drainage KC Flood Con</i>				
P0107597	00210961	KPFF CONSULTING ENGINEERS	Luther Burbank Dock Repair and	22.29
<i>Org Key: PA122E - LB Docks - Project costs</i>				
P0107597	00210961	KPFF CONSULTING ENGINEERS	Luther Burbank Dock Repair and	40.06
<i>Org Key: PO1100 - Administration (PO)</i>				
P0113621	00210905	AT&T MOBILITY	Cell Service - Invoice # x0119	791.16
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	613.24
P0113612	00211010	WA ASSN OF SHERIFFS & POLICE	Dues - Chief Holmes - Invoice	305.00
	00211008	US BANK CORP PAYMENT SYS	PERF MEMBERSHIP	220.00
P0113619	00210951	IACP - MEMBERSHIP	IACP dues - Magnan - Invoice #	190.00
	00211008	US BANK CORP PAYMENT SYS	Holster	121.55
	00211008	US BANK CORP PAYMENT SYS	Evidence Room Cleanout and Don	53.70
	00211008	US BANK CORP PAYMENT SYS	Holster	53.29
P0113618	00210936	FBI-LEEDA	Dues - Magnan - Invoice #	50.00
P0113596	00210957	KC POLICE CHIEFS ASSOC	2022 Annual Dues - Invoice # 2	50.00
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	44.03
P0113623	00211006	Travelers	Schroeder - Notary - Policy n	40.00
	00211008	US BANK CORP PAYMENT SYS	Wrong Holster (returned)	-53.29
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	-395.00
<i>Org Key: PO1350 - Police Emergency Management</i>				
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	483.40
P0113604	00210987	REMOTE SATELLITE SYSTEMS INT'L	EMAC Sat Phone - Invoice(s):	60.94
P0113604	00210987	REMOTE SATELLITE SYSTEMS INT'L	EMAC Sat Phone - Invoice(s):	54.00
P0113604	00210987	REMOTE SATELLITE SYSTEMS INT'L	EMAC Sat Phone - Invoice(s):	54.00
P0113604	00210987	REMOTE SATELLITE SYSTEMS INT'L	EMAC Sat Phone - Invoice(s):	54.00

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0113604	00210987	REMOTE SATELLITE SYSTEMS INT'L	EMAC Sat Phone - Invoice(s):	54.00
<i>Org Key: PO1700 - Records and Property</i>				
	00211008	US BANK CORP PAYMENT SYS	Uniforms & Clothing	625.88
	00211008	US BANK CORP PAYMENT SYS	Hotel for Evidence Training.	275.28
	00211008	US BANK CORP PAYMENT SYS	Knife Storage Boxes	97.13
	00211008	US BANK CORP PAYMENT SYS	Records Supplies	60.96
	00211008	US BANK CORP PAYMENT SYS	Membership for Evidence Profes	25.00
<i>Org Key: PO1900 - Jail/Home Monitoring</i>				
P0111942	00210992	SCORE	SCORE Jail Housing July 2021 -	8,780.00
P0113613	00210992	SCORE	Jail Housing Fees - Invoice(s)	414.04
P0113613	00210992	SCORE	Jail Housing Fees - Invoice(s)	184.00
<i>Org Key: PO2100 - Patrol Division</i>				
P0112866	00210919	CENTURION BLDG SERVICES LLC	Interview Room Camera Recordin	16,900.02
P0113606	00210941	GRAFIX SHOPPE	New Car Graphics - Invoice # 1	2,763.34
P0113622	00211015	WESCOM	Lidar repair and calibration:	1,089.99
P0113594	00211000	SUPERIOR TOWING INC	Impound Fees - Invoice # 90427	519.75
	00211008	US BANK CORP PAYMENT SYS	Uniform Pants	359.97
P0113593	00210974	MERCER ISLAND TOWING	Impound Fees Invoice # 3-119	354.52
P0113609	00210974	MERCER ISLAND TOWING	Impound Fees - Invoice # 3-130	346.82
P0113608	00210952	IBSEN TOWING CO BELLEVUE	Impound Fees - Invoice # 22-01	343.51
P0113597	00210970	MAC TOWING	Impound Fees - Invoice # 22-29	343.51
P0113599	00210963	KROESESENS UNIFORM COMPANY	Uniform Supplies - Invoice # 6	321.44
	00211008	US BANK CORP PAYMENT SYS	Training hotel stay	263.82
	00211008	US BANK CORP PAYMENT SYS	Training hotel stay	131.91
	00211008	US BANK CORP PAYMENT SYS	Training hotel stay	131.91
P0113622	00211015	WESCOM	Lidar repair and calibration:	110.10
	00211008	US BANK CORP PAYMENT SYS	Picture Frames for Employee Bo	104.72
P0113599	00210963	KROESESENS UNIFORM COMPANY	Uniform Supplies - Invoice # 6	103.38
P0113599	00210963	KROESESENS UNIFORM COMPANY	Uniform Supplies - Invoice # 6	80.32
P0113620	00210921	CLEANERS PLUS 1	uniform cleaning - invoice # 7	70.09
P0113602	00210921	CLEANERS PLUS 1	Uniform Cleaning - Invoice # 7	69.24
	00211008	US BANK CORP PAYMENT SYS	Batteries	42.93
P0113598	00211013	WASHINGTON STATE PATROL	CPL Background Checks - Invoic	39.75
P0113603	00210999	SUE'S TAILOR & ALTERATION	Uniform Alteration - Ormsby	38.50
	00211008	US BANK CORP PAYMENT SYS	Office Supplies	36.27
P0113599	00210963	KROESESENS UNIFORM COMPANY	Uniform Supplies - Invoice # 6	27.53
P0113600	00210963	KROESESENS UNIFORM COMPANY	Uniform Supplies - Invoice # 6	12.11
P0113599	00210963	KROESESENS UNIFORM COMPANY	Uniform Supplies - Invoice # 6	9.47
	00211008	US BANK CORP PAYMENT SYS	Parking Fee	7.50
<i>Org Key: PO2200 - Marine Patrol</i>				
P0113610	00210978	MI HARDWARE - POLICE	MP Supplies - Invoice # 144329	77.43
<i>Org Key: PO2201 - Dive Team</i>				
P0113601	00211007	UNDERWATER SPORTS INC.	Dive Team Equipment - Invoice	2,364.78
P0113611	00211007	UNDERWATER SPORTS INC.	Dive Team Supplies - Invoice #	105.70
<i>Org Key: PO2450 - Special Operations Team</i>				
P0112866	00210919	CENTURION BLDG SERVICES LLC	Interview Room Camera Recordin	2,380.14



**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00211008	US BANK CORP PAYMENT SYS	SOT Uniforms	861.52
	00211008	US BANK CORP PAYMENT SYS	Soft armor, drag handles, and	495.00
	00211008	US BANK CORP PAYMENT SYS	Uniforms & Clothing	368.83
	00211008	US BANK CORP PAYMENT SYS	Uniforms & Clothing	280.31
	00211008	US BANK CORP PAYMENT SYS	SOT Uniforms	250.34
	00211008	US BANK CORP PAYMENT SYS	Trauma kit x2	206.33
	00211008	US BANK CORP PAYMENT SYS	Salomon XA forces GTX low size	193.82
	00211008	US BANK CORP PAYMENT SYS	5.56 triple mid length Daeodon	143.50
	00211008	US BANK CORP PAYMENT SYS	Spiritus Systems plate carrier	10.96
<b>Org Key: PO3100 - Investigation Division</b>				
	00210946	HAMMER, SAMANTHA	PER DIEM TRAIN 1/23-1/25	526.64
P0113615	00211004	THOMSON REUTERS - WEST	West investigative services -	465.05
P0113595	00211004	THOMSON REUTERS - WEST	West investigative services -	465.05
P0113197	00211009	VERIZON WIRELESS VSAT	Cellular Tower Download per Wa	65.00
<b>Org Key: PO3350 - School Resource Officer</b>				
	00211008	US BANK CORP PAYMENT SYS	SRO Supplies	99.02
	00211008	US BANK CORP PAYMENT SYS	SRO equipment for teaching	28.92
	00211008	US BANK CORP PAYMENT SYS	Batteries for SRO Presentation	17.05
<b>Org Key: PO4100 - Firearms Training</b>				
P0113617	00210911	BLACK HILLS AMMUNITION	Ammunition Order - Invoice # 2	3,385.00
	00211008	US BANK CORP PAYMENT SYS	Batteries for less lethal	872.32
	00211008	US BANK CORP PAYMENT SYS	Supplies-Less Than Lethal	407.88
	00211008	US BANK CORP PAYMENT SYS	Targets for firearms	103.90
<b>Org Key: PO4300 - Police Training</b>				
	00210946	HAMMER, SAMANTHA	LODGING & MILES	772.97
	00210935	ERICKSON, CHASE	LODGING 2/6-2/11	727.25
P0113607	00210953	INTERNATIONAL ASSOCIATION FOR	Property Room Training - Jacks	395.00
	00210935	ERICKSON, CHASE	PER DIEM 2/6/22-2/11/22	324.50
	00210946	HAMMER, SAMANTHA	PER DIEM 2/6-2/11	324.50
P0113605	00210939	GLOCK PROFESSIONAL INC	Firearms Instructor Training:	250.00
P0113605	00210939	GLOCK PROFESSIONAL INC	Firearms Instructor Training:	250.00
P0113605	00210939	GLOCK PROFESSIONAL INC	Firearms Instructor Training:	250.00
	00211008	US BANK CORP PAYMENT SYS	Oral Board Lunches	101.00
	00211008	US BANK CORP PAYMENT SYS	Oral Board Lunches	99.00
	00211008	US BANK CORP PAYMENT SYS	Oral Board Lunches	98.00
	00211008	US BANK CORP PAYMENT SYS	Recruiting Info Cards	44.30
<b>Org Key: PR1100 - Administration (PR)</b>				
P0113628	00210925	CORRECTIONAL INDUSTRIES ACCTG	CLOTHING EMBROIDERY	382.27
P0113627	00211017	WRPA	2022 ANNUAL CONFERENCE AND TRA	310.00
	00211008	US BANK CORP PAYMENT SYS	Out-of-state candidate site vi	100.66
	00211008	US BANK CORP PAYMENT SYS	Annual subscription for video	66.06
	00211008	US BANK CORP PAYMENT SYS	Subscription for infographic d	48.00
<b>Org Key: PR4100 - Community Center</b>				
P0113578	00210979	MI UTILITY BILLS	JAN 2022 PAYMENT OF UTILITY BI	3,521.06
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	56.48
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	29.92

## Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: PY4621 - Flex Spending Admin 2021</i>				
	00210950	HORSCHMAN, BRENT	FLEX SPENDING	270.80
<i>Org Key: ST0020 - ST Long Term Parking</i>				
P0113578	00210979	MI UTILITY BILLS	JAN 2022 PAYMENT OF UTILITY BI	193.68
<i>Org Key: SU0113 - SCADA System Replacement-Sewer</i>				
P0113570	00210949	HOME DEPOT CREDIT SERVICE	PAINT, TAPE & SCREWDRIVER SET	75.66
P0113558	00210984	PLATT ELECTRIC	4) PIPE CLAMPS	48.43
<i>Org Key: VCP104 - CIP Streets Salaries</i>				
	00211008	US BANK CORP PAYMENT SYS	Computer Supplies	384.25
	00211008	US BANK CORP PAYMENT SYS	Computer Supplies	-192.13
<i>Org Key: VCP402 - CIP Water Salaries</i>				
	00211008	US BANK CORP PAYMENT SYS	Computer Supplies	384.25
	00211008	US BANK CORP PAYMENT SYS	Office Supplies	37.67
	00211008	US BANK CORP PAYMENT SYS	Computer Supplies	-192.12
<i>Org Key: WU0100 - Emergency Water System Repairs</i>				
P0111663	00210988	RH2 ENGINEERING INC	RESERVOIR PUMP-MOTOR	6,385.28
<i>Org Key: WU0106 - Madrona Crest East Addition Wa</i>				
P0112605	00210912	BLUELINE GROUP	2022 Water System Improvements	30,019.70
<i>Org Key: WU0116 - RRA/ ERP Updates &amp; Water Syste</i>				
P0109465	00210918	CAROLLO ENGINEERS INC	Risk & Resilience Assessment (	5,455.95
<i>Org Key: WU0117 - Meter Replacement Implementati</i>				
P0102980	00210947	HDR ENGINEERING INC	WATER METER REPLACEMENT	4,558.01
<i>Org Key: YF1100 - YFS General Services</i>				
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	813.71
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	809.24
	00211008	US BANK CORP PAYMENT SYS	Dues & Subscriptions	225.00
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	199.99
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	94.03
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	90.00
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	55.05
P0113683	00210929	DATAQUEST LLC	Employee Background check - In	26.50
<i>Org Key: YF1200 - Thrift Shop</i>				
P0113578	00210979	MI UTILITY BILLS	JAN 2022 PAYMENT OF UTILITY BI	767.39
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	528.48
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	408.24
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	303.70
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	299.99
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	180.13
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	122.93
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	54.96
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	46.78
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	29.67
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	13.93
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	10.65

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	10.65
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	9.08
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	8.82
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	8.82
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	7.88
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	5.00
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	3.00
<i>Org Key: YF2500 - Family Counseling</i>				
	00211008	US BANK CORP PAYMENT SYS	Tuition & Registrations	78.00
<i>Org Key: YF2600 - Family Assistance</i>				
P0113288	00210995	SHOREWOOD #14885	Rental assistance for EA clien	1,647.00
	00211008	US BANK CORP PAYMENT SYS	Food Pantry Purchases	1,000.00
	00211008	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	229.98
	00211008	US BANK CORP PAYMENT SYS	For Emergency Assistance clien	58.47
<i>Org Key: YF2850 - Federal SPF Grant</i>				
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	927.92
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	819.00
	00211008	US BANK CORP PAYMENT SYS	Tuition & Registrations	775.00
	00211008	US BANK CORP PAYMENT SYS	Operating Supplies	319.00
<b>Total</b>				<u>529,550.66</u>

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00210901	02/25/2022	ABBOTT, RICHARD LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	239.10
00210902	02/25/2022	ADAMS, RONALD E LEOFF1 Retiree Medical Expense		MAR2022B	03/01/2022	345.48
00210903	02/25/2022	AIRGAS USA LLC Oxygen/Fire	P0113589	9122321194	02/02/2022	18.94
00210904	02/25/2022	ASPECT SOFTWARE INC Telestaff Monthly Maintenance	P0113585	ASI070084	02/05/2022	165.15
00210905	02/25/2022	AT&T MOBILITY Cell Service - Invoice # x0119	P0113621	86X01192022	01/11/2022	791.16
00210906	02/25/2022	AUGUSTSON, THOR LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	192.80
00210907	02/25/2022	BAKER, DENNIS L WATER CERT RENEWAL		020422	02/04/2022	140.00
00210908	02/25/2022	BARNES, WILLIAM LEOFF1 Medicare Reimb		MAR2022A	03/01/2022	2,727.86
00210909	02/25/2022	BELLEVUE, CITY OF ARCH Contributions Q1 2022	P0113688	41708	03/01/2022	27,632.00
00210910	02/25/2022	BERK CONSULTING impact fee update	P0113549	10596-01-22	02/10/2022	2,506.25
00210911	02/25/2022	BLACK HILLS AMMUNITION Ammunition Order - Invoice # 2	P0113617	253043	01/17/2022	3,385.00
00210912	02/25/2022	BLUELINE GROUP 2022 Water System Improvements	P0112605	22799	02/01/2022	30,019.70
00210913	02/25/2022	BOOTH, GLENDON D LEOFF1 Retiree Medical Expense		MAR2022B	03/01/2022	562.79
00210914	02/25/2022	BOROVINA, RAYMOND COMMERCIAL LEARNERS PERMIT		021122	02/11/2022	42.25
00210915	02/25/2022	BRANOM OPERATING COMPANY LLC BACKFLOW TEST KIT	P0113574	INV/2021/11398	12/17/2021	168.72
00210916	02/25/2022	BUD CLARY FORD HYUNDAI 2022 FORD POLICE INTERCEPTOR F	P0111403	3NP540/541/544	02/14/2022	112,652.52
00210917	02/25/2022	CARLSON, LARRY RETIREE MEDICARE REIM		053122	05/31/2022	553.50
00210918	02/25/2022	CAROLLO ENGINEERS INC Risk & Resilience Assessment (	P0109465	FB19609	02/08/2022	5,455.95
00210919	02/25/2022	CENTURION BLDG SERVICES LLC Interview Room Camera Recordin	P0112866	4809	12/02/2021	19,280.16
00210920	02/25/2022	CivicPlus PRODUCTIVITY STARTER SYSTEM AN	P0113564	221284	01/26/2022	16,206.73
00210921	02/25/2022	CLEANERS PLUS 1 Uniform Cleaning - Invoice # 7	P0113620	73785	02/01/2022	139.33
00210922	02/25/2022	COMCAST Internet Charges/Fire	P0113387	0005511-JAN22	01/04/2022	422.60
00210923	02/25/2022	CONCEPT 2 REPLACE CITY HALL FITNESS EQUI	P0113686	1039723	02/18/2022	996.41
00210924	02/25/2022	COOPER, ROBERT LEOFF1 Excess Benefit		MAR2022A	03/01/2022	2,463.85
00210925	02/25/2022	CORRECTIONAL INDUSTRIES ACCTG CLOTHING EMBROIDERY	P0113628	7191	02/18/2022	382.27
00210926	02/25/2022	CORROON, KYLE WSDA PESTICIDE RENEWAL		020122	02/01/2022	51.50

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00210927	02/25/2022	COULMAN, DON REFUND OVERPAY 00524640504		021722	02/17/2022	428.15
00210928	02/25/2022	CULLIGAN SEATTLE WA Water Service/Fire	P0113586	202202672721	01/31/2022	260.75
00210929	02/25/2022	DATAQUEST LLC Employee Background check - In	P0113683	15920	08/31/2021	26.50
00210930	02/25/2022	DEEDS, EDWARD G LEOFF1 Retiree Medical Expense		MAR2022B	03/01/2022	733.34
00210931	02/25/2022	DEVENY, JAN P LEOFF1 Retiree Medical Expense		MAR2022B	03/01/2022	12,350.60
00210932	02/25/2022	DOWD, PAUL LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	241.66
00210933	02/25/2022	ELSOE, RONALD LEOFF1 Retiree Medical Expense		MAR2022B	03/01/2022	412.34
00210934	02/25/2022	EQUIFAX INFORMATION SVCS LLC Background of New Officers -	P0113614	6665818	01/17/2022	56.54
00210935	02/25/2022	ERICKSON, CHASE LODGING 2/6-2/11		021522	02/15/2022	1,051.75
00210936	02/25/2022	FBI-LEEDA Dues - Magnan - Invoice #	P0113618	44032489-22	01/01/2022	50.00
00210937	02/25/2022	FEHR & PEERS Impact Fee Update	P0113656	152226	02/10/2022	9,144.20
00210938	02/25/2022	FORSMAN, LOWELL LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	271.10
00210939	02/25/2022	GLOCK PROFESSIONAL INC Firearms Instructor Training:	P0113605	TRP/100160168	01/10/2022	750.00
00210940	02/25/2022	GOODMAN, J C LEOFF1 Retiree Medical Expense		MAR2022B	03/01/2022	608.63
00210941	02/25/2022	GRAFIX SHOPPE New Car Graphics - Invoice # 1	P0113606	142703	01/04/2022	2,763.34
00210942	02/25/2022	GRAINGER INVENTORY PURCHASES	P0113563	9206073737	02/08/2022	388.27
00210943	02/25/2022	Gregg, Jenni PESTICIDE ONLINE COURSE		011622	01/16/2022	90.00
00210944	02/25/2022	H D FOWLER INVENTORY PURCHASES	P0113568	I6016988	02/15/2022	5,051.00
00210945	02/25/2022	HAGSTROM, JAMES LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	653.20
00210946	02/25/2022	HAMMER, SAMANTHA PER DIEM TRAIN 1/23-1/25		021722	02/17/2022	1,624.11
00210947	02/25/2022	HDR ENGINEERING INC WATER METER REPLACEMENT PROGRA	P0102980	1200407819	02/09/2022	4,558.01
00210948	02/25/2022	HILTNER, PETER LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	619.50
00210949	02/25/2022	HOME DEPOT CREDIT SERVICE PAINT, TAPE & SCREWDRIVER SET	P0113570	0081356	02/16/2022	75.66
00210950	02/25/2022	HORSCHMAN, BRENT FLEX SPENDING		021622	02/16/2022	270.80
00210951	02/25/2022	IACP - MEMBERSHIP IACP dues - Magnan - Invoice #	P0113619	0209875	01/01/2022	190.00
00210952	02/25/2022	IBSEN TOWING CO BELLEVUE Impound Fees - Invoice # 22-01	P0113608	22-01-7138	01/25/2022	343.51

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00210953	02/25/2022	INTERNATIONAL ASSOCIATION FOR Property Room Training - Jacks	P0113607	LI893435	01/11/2022	395.00
00210954	02/25/2022	JOHNSON, CURTIS LEOFF1 Medicare Reimb		MAR2022A	03/01/2022	1,718.40
00210955	02/25/2022	Judge, Tom B1 EXAM		113021	11/30/2021	219.00
00210956	02/25/2022	KC FINANCE PROJECT # 1135626 ISL CRST WY	P0113591	117393-117394	01/31/2022	471.34
00210957	02/25/2022	KC POLICE CHIEFS ASSOC 2022 Annual Dues - Invoice # 2	P0113596	22-025	01/01/2022	50.00
00210958	02/25/2022	KELLEY IMAGING SYSTEMS Copier Service Fees Jan 2022 I	P0113584	AR14878	02/08/2022	1,019.57
00210959	02/25/2022	KELLEY, CHRIS M CALLOUT/LOCATE		021422	02/14/2022	56.11
00210960	02/25/2022	JNJ INC REBUILD TRANSMISSION FOR VEC.	P0113566	0010589	02/15/2022	4,711.41
00210961	02/25/2022	KPFF CONSULTING ENGINEERS Floating Docs - Luther Burbank	P0107597	409483	02/10/2022	3,335.25
00210962	02/25/2022	KPG Aubrey Davis Park Trail Safety	P0112473	1-19022	02/11/2022	11,720.00
00210963	02/25/2022	KROESENS UNIFORM COMPANY Uniform Supplies - Invoice # 6	P0113599	66892	02/17/2022	554.25
00210964	02/25/2022	KUHN, DAVID LEOFF1 Retiree Medical Expense		MAR2022B	03/01/2022	820.60
00210965	02/25/2022	LEOFF HEALTH & WELFARE TRUST FIRE RETIREES		030122	03/01/2022	56,783.01
00210966	02/25/2022	LEOFF HEALTH & WELFARE TRUST POLICE RETIREES		030122	03/01/2022	52,391.61
00210967	02/25/2022	LIFECORE FITNESS INC REPLACE CITY HALL FITNESS EQUI	P0113685	ES19096	02/14/2022	2,999.00
00210968	02/25/2022	LOISEAU, LERI M LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	192.80
00210969	02/25/2022	LYONS, STEVEN LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	211.80
00210970	02/25/2022	MAC TOWING Impound Fees - Invoice # 22-29	P0113597	22-2982347	02/02/2022	343.51
00210971	02/25/2022	MARTIN, MARGARET REFUND OVERPAY 00266450003		021722	02/17/2022	389.09
00210972	02/25/2022	MATZKE, NORMAN Polygraphs for new hire in	P0113624	12122	01/21/2022	750.00
00210973	02/25/2022	MCNAMMEE, JOE REFUND OVERPAY 00306005922		021722	02/17/2022	56.81
00210974	02/25/2022	MERCER ISLAND TOWING Impound Fees Invoice # 3-119	P0113609	3-1307	12/31/2021	701.34
00210975	02/25/2022	MERCER PARK SOUTH LLC REFUND OVERPAY 003001470		021722	02/17/2022	5,440.65
00210976	02/25/2022	METROPRESORT JAN 2022 CHANGE OF ADDRESS UPD	P0113583	IN641176	02/17/2022	487.69
00210977	02/25/2022	MI EMPLOYEES ASSOC PAYROLL EARLY WARRANTS		022522	02/25/2022	222.50
00210978	02/25/2022	MI HARDWARE - POLICE MP Supplies - Invoice # 144329	P0113610	144329/144330	01/31/2022	77.43

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00210979	02/25/2022	MI UTILITY BILLS JAN 2022 PAYMENT OF UTILITY BI	P0113578	JAN22	01/31/2022	20,468.50
00210980	02/25/2022	MYERS, JAMES S LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	179.80
00210981	02/25/2022	NELSON PETROLEUM 2022 DIESEL DELIVERY	P0113567	0788251-IN	02/14/2022	2,502.49
00210982	02/25/2022	NW PLAYGROUND EQUIPMENT INC PLAYGROUND EQUIPMENT	P0113572	49263	02/03/2022	1,911.82
00210983	02/25/2022	Olson Brother's Pro-Vac LLC 2020-22 On-Call Stormwater CCT	P0108760	87234848	01/30/2022	8,961.00
00210984	02/25/2022	PLATT ELECTRIC 4) PIPE CLAMPS	P0113558	2L64522	02/01/2022	48.43
00210985	02/25/2022	POLICE ASSOCIATION PAYROLL EARLY WARRANTS		022522	02/25/2022	2,723.86
00210986	02/25/2022	RAMSAY, JON LEOFF1 Medicare Reimb		MAR2022A	03/01/2022	953.17
00210987	02/25/2022	REMOTE SATELLITE SYSTEMS INT'L EMAC Sat Phone - Invoice(s):	P0113604	00116143	01/10/2022	276.94
00210988	02/25/2022	RH2 ENGINEERING INC RESERVOIR PUMP-MOTOR ASSESMENT	P0111663	84955	02/14/2022	6,385.28
00210989	02/25/2022	RKK CONSTRUCTION REFUND OVERPAY 002009701		021722	02/17/2022	168.26
00210990	02/25/2022	RUCKER, MANORD J LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	181.70
00210991	02/25/2022	SCHOENTRUP, WILLIAM LEOFF1 Medicare Reimb		MAR2022A	03/01/2022	1,484.87
00210992	02/25/2022	SCORE SCORE Jail Housing July 2021 -	P0113613	5698	01/12/2022	9,378.04
00210993	02/25/2022	SEATTLE BOAT COMPANY Boat Fuel on 9/6/2021 - Invoic	P0113625	993-19745-51638	01/21/2022	1,006.02
00210994	02/25/2022	Seth, Brady COMMERCIAL DRIVERS LIC		012922	01/29/2022	115.50
00210995	02/25/2022	SHOREWOOD #14885 Rental assistance for EA clien	P0113288	022422	02/24/2022	1,647.00
00210996	02/25/2022	SMITH, RICHARD LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	220.70
00210997	02/25/2022	STATE AUDITOR'S OFFICE FYE20 Annual Audit	P0113633	L146564	02/11/2022	2,552.00
00210998	02/25/2022	STERICYCLE INC On-Call Charges/Fire	P0113587	3005884477	01/31/2022	10.36
00210999	02/25/2022	SUE'S TAILOR & ALTERATION Uniform Alteration - Ormsby	P0113603	122321	12/23/2021	38.50
00211000	02/25/2022	SUPERIOR TOWING INC Impound Fees - Invoice # 90427	P0113594	90427	12/31/2021	519.75
00211001	02/25/2022	TACOMA SCREW PRODUCTS INC 5/16" X 2" GALV. LAG SCREWS (2	P0113561	100078972-00	02/14/2022	86.03
00211002	02/25/2022	THOMAS, ROSA & BRIAN REFUND OVERPAY 00689768003		021722	02/17/2022	220.46
00211003	02/25/2022	THOMPSON, JAMES LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	344.90
00211004	02/25/2022	THOMSON REUTERS - WEST West investigative services -	P0113595	845805454	02/01/2022	930.10

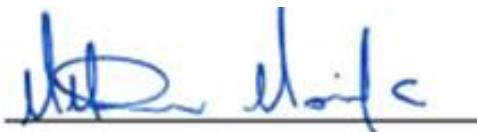
**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00211005	02/25/2022	TRAFFIC SAFETY SUPPLY INVENTORY PURCHASES	P0113582	INV046253	02/11/2022	1,463.67
00211006	02/25/2022	Travelers Schroeder - Notary - Policy n	P0113623	0107541686S	01/12/2022	40.00
00211007	02/25/2022	UNDERWATER SPORTS INC. Dive Team Supplies - Invoice #	P0113601	20023695	01/06/2022	2,470.48
00211008	02/25/2022	US BANK CORP PAYMENT SYS Office Supplies		5539FEB22	01/10/2022	32,456.42
00211009	02/25/2022	VERIZON WIRELESS VSAT Cellular Tower Download per Wa	P0113197	2021-9950	01/03/2022	65.00
00211010	02/25/2022	WA ASSN OF SHERIFFS & POLICE Dues - Chief Holmes - Invoice	P0113612	DUES2022-00214	01/13/2022	305.00
00211011	02/25/2022	WALLACE, THOMAS LEOFF1 Retiree Medical Expense		MAR2022B	03/01/2022	6,494.76
00211012	02/25/2022	WALTER E NELSON CO Stock Household Supplies	P0113562	851814	02/11/2022	1,750.96
00211013	02/25/2022	WASHINGTON STATE PATROL CPL Background Checks - Invoic	P0113598	I22004087	02/01/2022	39.75
00211014	02/25/2022	WEGNER, KEN LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	195.60
00211015	02/25/2022	WESCOM Lidar repair and calibration:	P0113622	23510	01/13/2022	1,200.09
00211016	02/25/2022	WHEELER, DENNIS LEOFF1 Medicare Reimb		MAR2022B	03/01/2022	181.70
00211017	02/25/2022	WRPA 2022 ANNUAL CONFERENCE AND TRA	P0113627	T086230	08/20/2021	310.00
00211018	02/25/2022	WSCCCE AFSCME AFL-CIO PAYROLL EARLY WARRANTS		022522	02/25/2022	2,588.60
					Total	529,550.66



CERTIFICATION OF CLAIMS

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



\_\_\_\_\_  
Finance Director

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

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

Report	Warrants	Date	Amount
Check Register	211019-211083	3/4/2022	\$907,110.86
			\$907,110.86

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: 402000 - Water Fund-Admin Key</i>				
P0113660	00211038	GRAINGER	INVENTORY PURCHASES	473.47
P0113661	00211038	GRAINGER	INVENTORY PURCHASES	38.75
<i>Org Key: CO6100 - City Council</i>				
P0113738	00211031	DANIEL, KAMARIA	MITV 2/15 Council Mtg	270.00
P0113738	00211031	DANIEL, KAMARIA	MITV 2/1 Council Mtg	240.00
P0113738	00211031	DANIEL, KAMARIA	Transportation	80.00
<i>Org Key: CT1100 - Municipal Court</i>				
P0113670	00211058	MALAT, JILL	Judge Pro Tem - 2/22/22 5.5 h	275.00
<i>Org Key: DS0000 - Development Services-Revenue</i>				
	00211030	CROWN CASTLE FIBER LLC	OVERPAYMENT	871.05
	00211030	CROWN CASTLE FIBER LLC	OVERPAYMENT	757.34
	00211030	CROWN CASTLE FIBER LLC	OVERPAYMENT	292.92
<i>Org Key: DS1100 - Administration (DS)</i>				
P0112008	00211033	DELL MARKETING L.P.	6 Dell Docks	1,869.30
<i>Org Key: FN0000 - Finance Department-Revenue</i>				
	00211045	ISLAND SYNAGOGUE	OVERPAY B&O 200446	470.05
	00211056	LOCHWOOD CUSTOM HOMES	REFUND OVERPAY 210210	252.17
	00211023	CARRIE YORK DDS	overpay b&o acct 211012	150.00
	00211026	CLAUSEN LAW FIRM	OVERPAY B&O ACCT 211297	118.81
<i>Org Key: FN4501 - Utility Billing (Water)</i>				
P0113705	00211059	METROPRESORT	FEB 2022 PRINTING & MAILING OF	153.74
P0113705	00211059	METROPRESORT	FEB 2022 PRINTING & MAILING OF	136.11
<i>Org Key: FN4502 - Utility Billing (Sewer)</i>				
P0113705	00211059	METROPRESORT	FEB 2022 PRINTING & MAILING OF	153.75
P0113705	00211059	METROPRESORT	FEB 2022 PRINTING & MAILING OF	136.12
<i>Org Key: FN4503 - Utility Billing (Storm)</i>				
P0113705	00211059	METROPRESORT	FEB 2022 PRINTING & MAILING OF	153.75
P0113705	00211059	METROPRESORT	FEB 2022 PRINTING & MAILING OF	136.12
<i>Org Key: FR2100 - Fire Operations</i>				
P0113178	00211061	NORCOM 911	2022 Quarterly Norcom Assessme	45,033.69
<i>Org Key: GB0107 - Honeywell Site Remediation</i>				
P0111015	00211036	FARALLON CONSULTING LLC	PROJECT 1292-002 2021 SOIL	12,533.73
<i>Org Key: GGM001 - General Government-Misc</i>				
P0113703	00211050	KC TREASURY	2022 REAL ESTATE TAXES	1,815.19
P0113713	00211027	COMCAST	CITY HALL INTERNET FEB 22, 202	248.92
<i>Org Key: GGM004 - Gen Govt-Office Support</i>				
P0113341	00211051	KELLEY IMAGING SYSTEMS	Copier Service Fee Dec 2021 IN	461.95
P0113717	00211028	COMPLETE OFFICE	MARCH '22 STATEMENT FOR FEBRUA	277.76
P0113709	00211029	CONFIDENTIAL DATA DISPOSAL	City Shredding Service - Perfo	225.00
P0113717	00211028	COMPLETE OFFICE	MARCH '22 STATEMENT FOR FEBRUA	203.06
<i>Org Key: GGX620 - Custodial Disbursements</i>				

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0113734	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 MI Court Transm	2,390.05
P0113737	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 Newcastle Court	1,897.83
P0113736	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 Newcastle Court	1,700.34
P0113735	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 MI Court Transm	1,517.42
P0113737	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 Newcastle Court	1,108.35
P0113734	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 MI Court Transm	1,063.81
P0113736	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 Newcastle Court	1,001.86
P0113737	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 Newcastle Court	982.73
P0113736	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 Newcastle Court	976.89
P0113735	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 MI Court Transm	791.47
P0113735	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 MI Court Transm	673.55
P0113734	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 MI Court Transm	541.19
P0113734	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 MI Court Transm	450.27
P0113736	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 Newcastle Court	435.89
P0113737	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 Newcastle Court	427.59
P0113734	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 MI Court Transm	266.64
P0113734	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 MI Court Transm	266.64
P0113736	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 Newcastle Court	217.67
P0113737	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 Newcastle Court	216.28
P0113737	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 Newcastle Court	214.02
P0113736	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 Newcastle Court	213.66
P0113737	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 Newcastle Court	213.52
P0113735	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 MI Court Transm	212.68
P0113734	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 MI Court Transm	212.65
P0113737	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 Newcastle Court	180.56
P0113736	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 Newcastle Court	165.14
P0113734	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 MI Court Transm	106.18
P0113735	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 MI Court Transm	105.94
P0113734	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 MI Court Transm	100.86
P0113735	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 MI Court Transm	99.99
P0113735	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 MI Court Transm	99.99
P0113735	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 MI Court Transm	91.56
P0113734	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 MI Court Transm	90.78
P0113735	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 MI Court Transm	70.14
P0113734	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 MI Court Transm	61.34
P0113736	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 Newcastle Court	55.16
P0113736	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 Newcastle Court	25.23
P0113735	00211081	WA ST TREASURER'S OFFICE	Remit Feb 2022 MI Court Transm	20.57
P0113737	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 Newcastle Court	20.05
P0113737	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 Newcastle Court	5.99
P0113737	00211081	WA ST TREASURER'S OFFICE	Remit Jan 2022 Newcastle Court	5.97
 <i>Org Key: GL0100 - General Land Purchase</i>				
P0113697	00211049	KC RECORDER	Recording Fee - Amended Quit C	207.50
P0113696	00211050	KC TREASURY	Excise Tax Form - Processing F	10.00
 <i>Org Key: IGMA02 - Alcoholism Program</i>				
P0113733	00211048	KC FINANCE	Remit Liquor Profits	1,843.40
 <i>Org Key: IS2100 - IGS Network Administration</i>				
P0113687	00211078	Smarsh Inc.	Smarsh Additional	416.21

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: MT2100 - Roadway Maintenance</i>				
P0113712	00211066	PETERSEN BROTHERS INC	REPAIR GUARDRAIL AT 5440 E. ME	8,806.95
	00211075	PUGET SOUND ENERGY	81 AVE SE & N MERCER WAY	4,853.52
	00211075	PUGET SOUND ENERGY	W SIDE 80TH AVE SE & S SIDE I9	1,431.12
	00211075	PUGET SOUND ENERGY	78 AVE SE & SE 30 ST	607.43
	00211075	PUGET SOUND ENERGY	SE 28 ST & 81 PL SE	467.68
	00211075	PUGET SOUND ENERGY	77 AVE SE & SE 27 ST	387.43
	00211075	PUGET SOUND ENERGY	76TH AVE SE & SE 24TH ST	242.77
	00211075	PUGET SOUND ENERGY	IRRIGATION - TREE LIGHT	207.33
	00211075	PUGET SOUND ENERGY	7806 SE 27TH ST	69.78
	00211075	PUGET SOUND ENERGY	7707 SE 27TH ST SIGNAL	68.68
	00211075	PUGET SOUND ENERGY	3853 ISLAND CREST WAY	51.66
	00211075	PUGET SOUND ENERGY	4700 ISLAND CREST WAY	50.67
	00211075	PUGET SOUND ENERGY	4030 86TH AVE SE	49.08
	00211075	PUGET SOUND ENERGY	3200 81ST PL SE	44.75
	00211075	PUGET SOUND ENERGY	4200 ISLAND CREST WAY	35.66
	00211075	PUGET SOUND ENERGY	SE 78TH & 84TH AVE SE	13.00
	00211075	PUGET SOUND ENERGY	5700 ISLAND CREST WAY	9.85
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	7.19
<i>Org Key: MT2200 - Vegetation Maintenance</i>				
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	7.19
<i>Org Key: MT2300 - Planter Bed Maintenance</i>				
	00211075	PUGET SOUND ENERGY	84TH AVE SE & 72ND ST	13.23
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	6.17
	00211075	PUGET SOUND ENERGY	8450 N MERCER WAY	1.54
<i>Org Key: MT3100 - Water Distribution</i>				
P0113626	00211039	GUTERMAN INC	AQUASCOPE CONNECTION CABLE & G	418.00
P0113669	00211063	ONE 7 INC.	1/2" PLUGS & SOCKETS	184.66
P0113667	00211040	H D FOWLER	2" BRASS NIPPLE & COUPLING	168.97
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	7.19
<i>Org Key: MT3150 - Water Quality Event</i>				
P0113357	00211021	AM TEST INC	2022 WATER QUALITY SAMPLES	80.00
<i>Org Key: MT3200 - Water Pumps</i>				
	00211075	PUGET SOUND ENERGY	4320 88TH AVE SE	3,682.06
	00211075	PUGET SOUND ENERGY	3204 74TH AVE SE	225.06
	00211024	CENTURYLINK	FIRE VHF RADIO @ RESERVOIR	59.74
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	6.17
<i>Org Key: MT3300 - Water Associated Costs</i>				
P0113306	00211033	DELL MARKETING L.P.	Dell Latitude Repair	205.96
<i>Org Key: MT3400 - Sewer Collection</i>				
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	7.19
<i>Org Key: MT3500 - Sewer Pumps</i>				
	00211075	PUGET SOUND ENERGY	2239 60TH AVE SE	545.12
	00211075	PUGET SOUND ENERGY	PUMP STATION #21	309.07
	00211075	PUGET SOUND ENERGY	8440 BENOTHO PLACE	280.25

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00211075	PUGET SOUND ENERGY	PUMP STATION #19	248.71
	00211075	PUGET SOUND ENERGY	3309 97TH AVE SE	223.74
	00211075	PUGET SOUND ENERGY	5495 W MERCER WAY	199.18
	00211075	PUGET SOUND ENERGY	7207 W MERCER WAY	183.03
	00211075	PUGET SOUND ENERGY	5406 96TH AVE SE	167.65
	00211075	PUGET SOUND ENERGY	6234 E MERCER WAY	166.04
	00211075	PUGET SOUND ENERGY	9855 SE 42ND ST	157.29
	00211075	PUGET SOUND ENERGY	PUMP STATION #17	149.78
	00211075	PUGET SOUND ENERGY	4606 EAST MERCER WAY	122.53
	00211075	PUGET SOUND ENERGY	PUMP STATION #10	122.17
	00211075	PUGET SOUND ENERGY	PUMP STATION #1	101.98
	00211075	PUGET SOUND ENERGY	4313 FOREST AVE SE	93.47
	00211075	PUGET SOUND ENERGY	4009 WEST MERCER WAY	85.33
P0113666	00211038	GRAINGER	WEB SLINGS	69.21
	00211075	PUGET SOUND ENERGY	4008 EAST MERCER WAY	34.96
P0113668	00211042	HOME DEPOT CREDIT SERVICE	1/4" BRASS PLUGS	38.07
	00211075	PUGET SOUND ENERGY	PUMP STATION # 15	33.42
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	7.19
<i>Org Key: MT3600 - Sewer Associated Costs</i>				
P0113699	00211062	OCCUPATIONAL HEALTH CTRS OF WA	1/24/22 SVCS PERFORMED AT CMC	146.00
P0113702	00211062	OCCUPATIONAL HEALTH CTRS OF WA	1/31/22 SERVICES PERFORMED AT	116.00
<i>Org Key: MT3800 - Storm Drainage</i>				
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	7.19
<i>Org Key: MT4150 - Support Services - Clearing</i>				
P0113717	00211028	COMPLETE OFFICE	MARCH '22 STATEMENT FOR FEBRUA	9.16
<i>Org Key: MT4200 - Building Services</i>				
	00211075	PUGET SOUND ENERGY	3030 78TH AVE SE	2,021.64
	00211075	PUGET SOUND ENERGY	9611 SE 36TH ST	1,496.81
	00211075	PUGET SOUND ENERGY	9611 SE 36TH ST	334.00
P0113662	00211038	GRAINGER	TRASH & RECYCLING CONTAINERS	187.74
P0113660	00211038	GRAINGER	GOOF OFF & DUST MOP TREATMENT	81.17
	00211075	PUGET SOUND ENERGY	9100 SE 42ND ST #CHAR	61.30
P0113706	00211038	GRAINGER	TOILET CLEANING CADDY	35.23
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	6.17
<i>Org Key: MT4300 - Fleet Services</i>				
P0113692	00211070	PRIORITY MARINE	Patrol 11 Service - Invoice da	10,776.66
P0113653	00211035	EMERALD SERVICES INC	OIL RECYCLING	452.54
P0113698	00211038	GRAINGER	BALL VALVES	258.83
P0113634	00211069	POWERPLAN - OIB	REPAIR PARTS (SWITCH)	67.56
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	6.17
<i>Org Key: MT4420 - Transportation Planner Eng</i>				
P0111507	00211043	IDAX DATA SOULTIONS	21-06 On-Call Traffic Data	1,715.00
<i>Org Key: MT4501 - Water Administration</i>				
P0113719	00211076	SEATTLE PUBLIC UTILITIES	JAN 2022 WATER PURCHASE	123,106.24
<i>Org Key: MT4502 - Sewer Administration</i>				

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0113196	00211052	KING COUNTY TREASURY	JAN-DEC 2022 MONTHLY SEWER CHA	424,904.48
<i>Org Key: MT4503 - Storm Water Administration</i>				
P0112351	00211068	POWER ENGINEERS INC	Mercer Island Asset Management	321.18
<i>Org Key: MT6100 - Park Maintenance</i>				
	00211075	PUGET SOUND ENERGY	CLARK BCH PK LOT & UTL	4,496.68
P0113592	00211044	INTERNATIONAL NW	REGISTRATION PNW RESOURCE	1,335.00
P0113642	00211046	ISSAQUAH HONDA KUBOTA	REPAIR CHAINSAWS, TRIMMER & PO	1,376.67
	00211075	PUGET SOUND ENERGY	5501 ISLAND CREST WAY	1,060.72
P0111536	00211032	DATEC INC.	2 Docks CF-55	649.59
	00211075	PUGET SOUND ENERGY	4101 82ND AVE SE	274.54
	00211075	PUGET SOUND ENERGY	7677 SE 32ND ST	234.51
P0113701	00211062	OCCUPATIONAL HEALTH CTRS OF WA	11/19/21 PERFORMED AT CMC DOT	218.00
	00211075	PUGET SOUND ENERGY	5960 60TH AVE SE	197.31
P0113642	00211046	ISSAQUAH HONDA KUBOTA	TRIMMER HARNESSES	193.17
P0113717	00211028	COMPLETE OFFICE	MARCH '22 STATEMENT FOR FEBRUA	80.92
	00211075	PUGET SOUND ENERGY	GROVELAND PARK	16.80
	00211075	PUGET SOUND ENERGY	2835 60TH AVE SE	13.85
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	7.19
<i>Org Key: MT6200 - Athletic Field Maintenance</i>				
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	7.19
<i>Org Key: MT6500 - Luther Burbank Park Maint</i>				
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	7.19
<i>Org Key: MT6600 - Park Maint School Fields</i>				
	00211075	PUGET SOUND ENERGY	8225 SE 72ND ST	710.71
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	6.17
<i>Org Key: MT6800 - Trails Maintenance</i>				
P0113657	00211046	ISSAQUAH HONDA KUBOTA	STI MSA140CB CHAINSAW S/N 4443	385.34
<i>Org Key: MT6900 - Aubrey Davis Park Maint</i>				
	00211075	PUGET SOUND ENERGY	3600 E MERCER WAY	158.37
	00211075	PUGET SOUND ENERGY	SE 22 ST & 66TH AVE SE	59.67
	00211075	PUGET SOUND ENERGY	N MERCER WAY & E MER WAY	26.46
	00211075	PUGET SOUND ENERGY	3600 E MERCER WAY	20.51
P0113690	00211025	CINTAS	FIRST AID SUPPLIES	7.13
<i>Org Key: PO0000 - Police-Revenue</i>				
P0113711	00211082	WA STATE DOL	CONCEALED PISTOL LICENSES	648.00
<i>Org Key: PO1100 - Administration (PO)</i>				
P0113691	00211022	AT&T MOBILITY	Cellular Phone and Data - Poli	791.16
<i>Org Key: PO1350 - Police Emergency Management</i>				
	00211041	HACKETT, PAT	BATTERIES/PRINTER CART	443.21
P0113631	00211083	WSCP	Crime Prevention Basic Course	350.00
P0113704	00211077	SKYLINE COMMUNICATIONS INC	MARCH 2022 EOC INTERNET SERIVC	206.55
<i>Org Key: PO1800 - Contract Dispatch Police</i>				
P0113178	00211061	NORCOM 911	2022 Quarterly Norcom Assessme	135,604.75

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: PO1900 - Jail/Home Monitoring</i>				
P0113629	00211047	ISSAQUAH JAIL, CITY OF	Jail Housing Fees -	7,290.00
P0113629	00211047	ISSAQUAH JAIL, CITY OF	Jail Housing Fees -	5,720.00
<i>Org Key: PO2100 - Patrol Division</i>				
P0113695	00211067	PIGSKIN UNIFORMS	Jumpsuit Uniform - Tortorelli	642.91
P0113694	00211025	CINTAS	Medical Cabinet restock - Invo	143.85
P0113693	00211054	KROESENS UNIFORM COMPANY	Uniform Supplies - Invoice # 6	80.32
	00211064	ORMSBY, ANNA	SAFERIDE NEWSLETTER SUB	63.86
P0113710	00211079	SUE'S TAILOR & ALTERATION	Rutter Uniform Alteration - Da	22.00
<i>Org Key: PO2201 - Dive Team</i>				
P0113632	00211080	UNDERWATER SPORTS INC.	Dive Team Equipment - Invoice	880.58
<i>Org Key: PO4100 - Firearms Training</i>				
P0113630	00211020	AERO PRECISION	Rifle Order - Invoice # 115594	2,192.73
<i>Org Key: PR1100 - Administration (PR)</i>				
P0113715	00211019	29 ELEVEN INC	NAME TAGS FOR NEW EMPLOYEES	30.25
P0113717	00211028	COMPLETE OFFICE	MARCH '22 STATEMENT FOR FEBRUA	24.81
<i>Org Key: PR4100 - Community Center</i>				
P0113714	00211027	COMCAST	COMCAST COMMUNITY CENTER FEB 2	299.18
	00211075	PUGET SOUND ENERGY	8236 SE 24TH ST	36.10
<i>Org Key: SP0120 - Sunset Hwy/77 Ave SW Improveme</i>				
P0112383	00211053	KPG	21-41 Sunset Hwy & 77th Ave SE	3,536.50
<i>Org Key: SP0121 - Mid-block Crosswalk 76 Ave SE</i>				
P0112368	00211034	DKS ASSOCIATES	21-40 76th Ave SE Mid-block	4,320.00
<i>Org Key: SP0130 - ICW Corridor Safety Analysis</i>				
P0112776	00211034	DKS ASSOCIATES	SP0130 Island Crest Way Corrid	15,231.25
P0112776	00211034	DKS ASSOCIATES	SP0130 Island Crest Way Corrid	11,842.50
P0112776	00211034	DKS ASSOCIATES	SP0130 Island Crest Way Corrid	8,712.50
<i>Org Key: ST0020 - ST Long Term Parking</i>				
	00211075	PUGET SOUND ENERGY	7810 SE 27TH ST	438.20
<i>Org Key: SU0100 - Emergency Sewer Repairs</i>				
P0113645	00211040	H D FOWLER	6" KENNEDY SPRING & LEVER CHEC	4,043.53
<i>Org Key: VCP402 - CIP Water Salaries</i>				
P0113639	00211033	DELL MARKETING L.P.	Dell Laptop Water Utility Engi	2,020.49
<i>Org Key: WU0119 - Reservoir Generator Replacemen</i>				
P0110228	00211060	MURRAYSMITH INC	GENERATOR REPLACEMENT AT THE	331.50
<i>Org Key: YF1100 - YFS General Services</i>				
P0113728	00211065	PAYNE-EVANS, DIANE	Policy Consulting	960.00
<i>Org Key: YF1200 - Thrift Shop</i>				
	00211075	PUGET SOUND ENERGY	7710 SE 34TH ST	439.51
P0113660	00211038	GRAINGER	GOOF OFF & DUST MOP TREATMENT	40.58
P0113652	00211038	GRAINGER	DUST MOP	34.10

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: YF2600 - Family Assistance</i>				
P0113741	00211057	Lu, Yan	Rental assistance for EA clien	2,000.00
P0113727	00211037	Grace's Place	Rental assistance for EA clien	266.00
<i>Org Key: YF2850 - Federal SPF Grant</i>				
P0113730	00211055	Limerent LLC	Healthy Youth Initiative Asses	4,350.00
Total				907,110.86



**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00211019	03/04/2022	29 ELEVEN INC NAME TAGS FOR NEW EMPLOYEES	P0113715	214872	02/03/2022	30.25
00211020	03/04/2022	AERO PRECISION Rifle Order - Invoice # 115594	P0113630	1127682	02/16/2022	2,192.73
00211021	03/04/2022	AM TEST INC 2022 WATER QUALITY SAMPLES	P0113357	125797	02/23/2022	80.00
00211022	03/04/2022	AT&T MOBILITY Cellular Phone and Data - Poli	P0113691	X02192022	02/11/2022	791.16
00211023	03/04/2022	CARRIE YORK DDS overpay b&o acct 211012		021822	02/18/2022	150.00
00211024	03/04/2022	CENTURYLINK FIRE VHF RADIO @ RESERVOIR		T32-2633 MAR22	03/02/2022	59.74
00211025	03/04/2022	CINTAS FIRST AID SUPPLIES	P0113694	5097304094	02/24/2022	246.54
00211026	03/04/2022	CLAUSEN LAW FIRM OVERPAY B&O ACCT 211297		021822	02/18/2022	118.81
00211027	03/04/2022	COMCAST CITY HALL INTERNET FEB 22, 202	P0113714	0057728-FEB22	02/11/2022	548.10
00211028	03/04/2022	COMPLETE OFFICE MARCH '22 STATEMENT FOR FEBRUA	P0113717	MARCH22	03/01/2022	595.71
00211029	03/04/2022	CONFIDENTIAL DATA DISPOSAL City Shredding Service - Perfo	P0113709	210733	02/22/2022	225.00
00211030	03/04/2022	CROWN CASTLE FIBER LLC OVERPAYMENT		WCF21-024	07/07/2021	1,921.31
00211031	03/04/2022	DANIEL, KAMARIA MITV 2/1 Council Mtg	P0113738	02	02/15/2022	590.00
00211032	03/04/2022	DATEC INC. 2 Docks CF-55	P0111536	35120	07/08/2021	649.59
00211033	03/04/2022	DELL MARKETING L.P. Dell Latitude Repair	P0112008	10538012775	12/27/2021	4,095.75
00211034	03/04/2022	DKS ASSOCIATES 21-40 76th Ave SE Mid-block	P0112776	0079887	10/14/2021	40,106.25
00211035	03/04/2022	EMERALD SERVICES INC OIL RECYCLING	P0113653	88282974	02/09/2022	452.54
00211036	03/04/2022	FARALLON CONSULTING LLC PROJECT 1292-002 2021 SOIL	P0111015	0042830	02/17/2022	12,533.73
00211037	03/04/2022	Grace's Place Rental assistance for EA clien	P0113727	022522	02/25/2022	266.00
00211038	03/04/2022	GRAINGER INVENTORY PURCHASES	P0113652	9207766677	02/09/2022	1,219.08
00211039	03/04/2022	GUTERMAN INC AQUASCOPE CONNECTION CABLE & G	P0113626	INV/GUS/2022/004	02/14/2022	418.00
00211040	03/04/2022	H D FOWLER 2" BRASS NIPPLE & COUPLING	P0113645	I6024306	02/24/2022	4,212.50
00211041	03/04/2022	HACKETT, PAT BATTERIES/PRINTER CART		122821	12/28/2021	443.21
00211042	03/04/2022	HOME DEPOT CREDIT SERVICE 1/4" BRASS PLUGS	P0113668	3082452	02/23/2022	38.07
00211043	03/04/2022	IDAX DATA SOULTIONS 21-06 On-Call Traffic Data	P0111507	INV-0001852	02/23/2022	1,715.00
00211044	03/04/2022	INTERNATIONAL NW REGISTRATION PNW RESOURCE MGMT	P0113592	FEB28-MAR4, 2022	02/28/2022	1,335.00

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00211045	03/04/2022	ISLAND SYNAGOGUE OVERPAY B&O 200446		021822	02/18/2022	470.05
00211046	03/04/2022	ISSAQUAH HONDA KUBOTA TRIMMER HARNESES	P0113657	70880I	02/22/2022	1,955.18
00211047	03/04/2022	ISSAQUAH JAIL, CITY OF Jail Housing Fees -	P0113629	22000009	12/21/2021	13,010.00
00211048	03/04/2022	KC FINANCE Remit Liquor Profits	P0113733	2139772	02/11/2022	1,843.40
00211049	03/04/2022	KC RECORDER Recording Fee - Amended Quit C	P0113697	022522	02/25/2022	207.50
00211050	03/04/2022	KC TREASURY 2022 REAL ESTATE TAXES	P0113696	022522	02/25/2022	1,825.19
00211051	03/04/2022	KELLEY IMAGING SYSTEMS Copier Service Fee Dec 2021 IN	P0113341	AR14604	01/12/2022	461.95
00211052	03/04/2022	KING COUNTY TREASURY JAN-DEC 2022 MONTHLY SEWER CHA	P0113196	30033411	03/01/2022	424,904.48
00211053	03/04/2022	KPG 21-41 Sunset Hwy & 77th Ave SE	P0112383	1-18022	02/09/2022	3,536.50
00211054	03/04/2022	KROESENS UNIFORM COMPANY Uniform Supplies - Invoice # 6	P0113693	66966	02/24/2022	80.32
00211055	03/04/2022	Limerent LLC Healthy Youth Initiative Asses	P0113730	341	02/18/2022	4,350.00
00211056	03/04/2022	LOCHWOOD CUSTOM HOMES REFUND OVERPAY 210210		021822	02/18/2022	252.17
00211057	03/04/2022	Lu, Yan Rental assistance for EA clien	P0113741	030322	03/03/2022	2,000.00
00211058	03/04/2022	MALAT, JILL Judge Pro Tem - 2/22/22 5.5 h	P0113670	022222	02/22/2022	275.00
00211059	03/04/2022	METROPRESORT FEB 2022 PRINTING & MAILING OF	P0113705	IN641313	02/24/2022	869.59
00211060	03/04/2022	MURRAYSMITH INC GENERATOR REPLACEMENT AT THE	P0110228	19-2659.00-22	02/15/2022	331.50
00211061	03/04/2022	NORCOM 911 2022 Quarterly Norcom Assessme	P0113178	001256	03/02/2022	180,638.44
00211062	03/04/2022	OCCUPATIONAL HEALTH CTRS OF WA 1/24/22 SVCS PERFORMED AT CMC	P0113701	73532474	11/22/2021	480.00
00211063	03/04/2022	ONE 7 INC. 1/2" PLUGS & SOCKETS	P0113669	2007062910	02/10/2022	184.66
00211064	03/04/2022	ORMSBY, ANNA SAFERIDE NEWSLETTER SUB		022422	02/24/2022	63.86
00211065	03/04/2022	PAYNE-EVANS, DIANE Policy Consulting	P0113728	022822	02/28/2022	960.00
00211066	03/04/2022	PETERSEN BROTHERS INC REPAIR GUARDRAIL AT 5440 E. ME	P0113712	2202701	02/12/2022	8,806.95
00211067	03/04/2022	PIGSKIN UNIFORMS Jumpsuit Uniform - Tortorelli	P0113695	2022-08	01/21/2022	642.91
00211068	03/04/2022	POWER ENGINEERS INC Mercer Island Asset Management	P0112351	445091	12/19/2021	321.18
00211069	03/04/2022	POWERPLAN - OIB REPAIR PARTS (SWITCH)	P0113634	13311787	02/11/2022	67.56
00211070	03/04/2022	PRIORITY MARINE Patrol 11 Service - Invoice da	P0113692	010722	01/07/2022	10,776.66

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00211075	03/04/2022	PUGET SOUND ENERGY 3200 81ST PL SE		9297-MAR22	03/01/2022	27,833.71
00211076	03/04/2022	SEATTLE PUBLIC UTILITIES JAN 2022 WATER PURCHASE	P0113719	JAN2022	01/31/2022	123,106.24
00211077	03/04/2022	SKYLINE COMMUNICATIONS INC MARCH 2022 EOC INTERNET SERIVC	P0113704	IN46541	03/01/2022	206.55
00211078	03/04/2022	Smarsh Inc. Smarsh Additional	P0113687	INV00696164	01/31/2022	416.21
00211079	03/04/2022	SUE'S TAILOR & ALTERATION Rutter Uniform Alteration - Da	P0113710	021822	02/18/2022	22.00
00211080	03/04/2022	UNDERWATER SPORTS INC. Dive Team Equipment - Invoice	P0113632	20023873	02/18/2022	880.58
00211081	03/04/2022	WA ST TREASURER'S OFFICE Remit Jan 2022 MI Court Transm	P0113737	JAN22A	01/01/2022	19,298.45
00211082	03/04/2022	WA STATE DOL CONCEALED PISTOL LICENSES	P0113711	022422	02/24/2022	648.00
00211083	03/04/2022	WSCPA Crime Prevention Basic Course	P0113631	020322	02/03/2022	350.00
					Total	907,110.86



# CITY COUNCIL MINUTES **\*\*REVISED\*\***

## REGULAR VIDEO MEETING

### MARCH 1, 2022

Item 5.

#### CALL TO ORDER & ROLL CALL

Mayor Salim Nice called the meeting to order at 5:00 pm in the Council Chambers at City Hall, 9611 SE 36th Street, Mercer Island, Washington.

Councilmembers Lisa Anderl, Jake Jacobson, Salim Nice, Craig Reynolds, David Rosenbaum, Wendy Weiker, and Ted Weinberg participated remotely using Zoom.

#### PLEDGE OF ALLEGIANCE

Councilmember Weinberg delivered the Pledge of Allegiance.

#### AGENDA APPROVAL

It was moved by Jacobson; seconded by Anderl to:

**Approve the agenda as presented.**

Motion Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker, and Weinberg)

#### STUDY SESSION

##### **AB 6024: 2022 Community Survey**

Communications Manager Mason Luvera gave a presentation to Council on the 2022 Community Survey. He spoke about the history of the community survey, noted that the results are used to inform the biennial budget process, and introduced ETC Institute who will be conducting the 2022 survey. Communications Manager Luvera also spoke about the development of 2022 survey, the use of a standardized survey template for accuracy and benchmarking, the use of the same core questions from 2018 allowing the City to track progress and change over the four-year period, and how supplemental questions regarding current issues could be included.

Jason Morado from ETC Institute provided an overview about the three phases of a survey: execution, analysis, and final report. Communications Manager Luvera reviewed the timeline and the proposed supplemental questions.

**Chief of Administration Ali Spietz noted that questions 9 and 16 on the 2018 survey will not be included in the 2022 survey.** Following questions, the Council directed staff not to include any supplemental questions in the 2022 community survey **and requested that questions regarding gender and race be expanded with additional choices.**

#### CITY MANAGER REPORT

City Manager Bon reported on the following items:

- Council, Boards & Commission meetings update: Hybrid City Council meeting March 15. Virtual Boards & Commission meetings Parks & Recreation Commission March 3 and Planning Commission March 23. Hybrid City Council Planning Session on March 26
- City services updates: 2022 Summer Camps, Aubrey Davis Park Trail Safety Improvements survey, Mercerdale Playground update, MIPD joins regional group tackling catalytic converter thefts
- Community Updates: Leprechaun Walk in Town Center, Eastlink online open house and survey

- News: Summer Celebration is back, saying goodbye to Suzanne Philen and Detective Sergeant Jim Robarge

## APPEARANCES

Sue Stewart (Mercer Island), president of Friends of Luther Burbank Park, spoke regarding the history of Upper Luther Burbank park and spoke against the bike skills area.

Carolyn Boatsman (Mercer Island), spoke regarding gas powered blowers and lighting and her support of the proposed code amendments regarding noise and lighting.

## CONSENT AGENDA

### City Council Meeting Minutes of February 15, 2022

**Recommended Action:** Adopt the City Council Special Video Meeting Minutes of February 1, 2022 as presented.

### Certification of Claims

- A. Check Register 210765-210845 | 2/11/2022 | \$795,861.53
- B. Check Register 210846-210900 | 2/18/2022 | \$295,149.03

**Recommendation Action:** Certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

### AB 6033: January 28, 2022 Payroll Certification

**Recommended Action:** Approve the January 28, 2022 Payroll Certification (Exhibit 1) in the amount of \$842,718.00 and authorize the Mayor to sign the certification on behalf of the entire City Council.

### AB 6016: February 11, 2022 Payroll Certification

**Recommended Action:** Approve the February 11, 2022 Payroll Certification in the amount of \$835,571.69 and authorize the Mayor to sign the certification on behalf of the entire City Council.

### AB 6022: Open Space Conservancy Trust Annual Report

**Recommended Action:** Accept the 2021 Open Space Conservancy Annual Report and the 2022 Work Plan.

### AB 6025: 2022 Street Related Utility Improvements

#### Recommended Action:

1. Award Schedules 'A', 'B', 'C' and 'D' of the 2022 Street Related Utility Improvements project to Blue Mountain Construction Group, LLC.
2. Authorize the City Manager to execute a contract with Blue Mountain Construction Group, LLC in an amount not to exceed \$522,216.08.
3. Appropriate \$212,504 from the Water Fund and \$16,739 from the Storm Water Fund to fully fund the 2022 Street Related Utility Improvements project.

### AB 6028: Roadside Shoulder Improvements, West Mercer Way Phase 2

**Recommended Action:** Accept the completed Roadside Shoulder Improvements West Mercer Way Phase 2 project and authorize staff to close out the project.

### AB 6029: Ratifying King County Countywide Planning Policies

**Recommended Action:** Approve Resolution No. 1620 to ratify the King County Countywide Planning Policies updates.

### AB 6030: WRIA 8 Interlocal Agreement Addendum

**Recommended Action:** Authorize the City Manager to sign the Addendum to the Interlocal Agreement for the Watershed Basins within Water Resource Inventory Area 8.

**AB 6031: Authorization of Enterprise Financial Management System Purchase****Recommended Action:**

1. Award RFP #21-37 to Tyler Technologies, Inc., a Maine-based company, for a Financial Management Software System to replace the City's current financial software system.
2. Authorize the City Manager to negotiate and execute an agreement with Tyler Technologies, Inc., in an amount not to exceed \$587,000 which includes the first year of the software subscription, implementation services, and a \$150,000 project contingency, with future funding contingent on Council budget approval.
3. Authorize a new, full-time Systems Analyst position in the Finance Department at an estimated annual cost of \$127,000 (for 2022) to facilitate the financial management software implementation and oversee the ongoing maintenance, staff training, and development of the software system's overall functionality.
4. Authorize one-time funding not to exceed \$272,000 to facilitate the successful implementation the new financial management software system.
5. Appropriate \$736,000 and authorize staff to allocate the project funding to the Street, Capital Improvement, Water, Sewer, Stormwater and General Funds in accordance with existing overhead allocation budget policies.

**AB 6023: Approval of the 2022 Parks, Recreation and Open Space (PROS) Plan and Initial Project Appropriation****Recommended Action:**

1. Approve Resolution No. 1618 adopting the 2022 Parks, Recreation, and Open Space (PROS) Plan.
2. Appropriate \$750,000 from available balance in the Capital Improvement Fund for athletic field design, joint master planning for Clarke and Groveland beaches, and the MICEC Annex facility assessment.

It was moved by Weinberg; seconded by Reynolds to:

**Approve the Consent Agenda and the recommended actions contained therein.**

PASSED: 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker, and Weinberg)

**REGULAR BUSINESS****AB 6032: 2021 Board and Commission Vacancy Appointments**

Mayor Nice reviewed the process for board and commission appointments and that the applicants that receive the most votes, provided they received a minimum of four votes, would be appointed to the vacant positions on the board or commission. The names of the applicants would then be added to Resolution No. 1619 with final approval by a vote of the City Council.

**Arts Council** – Two open positions; two applications received.

**Round 1, Position 4 - Term 2022 and Position 5 – Term 2024** - City Clerk Larson emailed the ballots to each Councilmember with a list of the following applicants: Daniel Becker, Jonathan Harrington

The ballots were tallied, and Jonathan Harrington received four votes to be appointed to the Arts Council, Position 4, expiring May 31, 2022 and Daniel Becker received four votes to be appointed to the Arts Council, Position 5, expiring May 31, 2024.

**Position 4 Ballot Results:**

Daniel Becker – 3 (Anderl, Nice, Weiker)

Jonathan Harrington – 4 (Jacobson, Reynolds, Rosenbaum, Weinberg)

**Position 5 Ballot Results:**

Daniel Becker – 4 (Jacobson, Reynolds, Rosenbaum, Weinberg)

Jonathan Harrington – 3 (Anderl, Nice, Weiker)

Mayor Nice reminded Council that in accordance with City Code City Council should seek to fill the open position on the Design Commission with a landscape architect or an urban planner.

**Design Commission** – One open specialist position; two application received.

**Round 1, Position 1 – Term 2023** - City Clerk Larson emailed the ballots to each Councilmember with a list of the following applicants: Megan Atkinson and Adam Ragheb

The ballots were tallied, and Megan Atkinson received seven votes to be appointed to the Design Commission, Position 1, expiring May 31, 2023.

**Ballot Results:**

Atkinson – 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker, Weinberg)  
Ragheb – 0

**Planning Commission** – One open position; four application received.

**Round 1, Position 7 – Term 2022** - City Clerk Larson emailed the ballots to each Councilmember with a list of the following applicants: Kate Akyuz, Daniel Becker, Matthew Goldbach, and Adam Ragheb

The ballots were tallied, and Kate Akyuz received four votes to be appointed to the Planning Commission, Position 7, expiring May 31, 2022.

**Ballot Results:**

Akyuz – 4 (Reynolds, Rosenbaum, Weiker, Weinberg)  
Becker – 0  
Goldbach – 1 (Nice)  
Ragheb – 2 (Anderl, Jacobson)

**Utility Board**– One open position; four application received.

**Round 1, Position 7 – Term 2022** - City Clerk Larson emailed the ballots to each Councilmember with a list of the following applicants: Meredith Lehr, Will Quantz, Adam Ragheb, and Amy Ting

The ballots were tallied, and there was a tie between Will Quantz and Adam Ragheb

**Ballots Results:**

Lehr – 1 (Rosenbaum)  
Quantz – 3 (Reynolds, Weiker, Weinberg)  
Ragheb – 3 (Anderl, Jacobson, Nice)  
Ting – 0

City Clerk Larson explained the process for a tie vote.

**Round 2, Position 7 – Term 2022** - City Clerk Larson emailed the ballots to each Councilmember with a list of the following applicants: Will Quantz and Adam Ragheb.

The ballots were tallied, and Will Quantz received four (4) votes to be appointed to the Utility Board, Position 7, expiring May 31, 2022.

**Ballot Results:**

Quantz – 4 (Reynolds, Rosenbaum, Weiker, Weinberg)  
Ragheb – 3 (Anderl, Jacobson, Nice)

Chief of Administration Ali Spietz read the appointments listed in Resolution No. 1619 into the record.

It was moved by Weinberg; seconded by Weiker to:

**Adopt Resolution No. 1619 appointing members to the Mercer Island Boards and Commissions.**

PASSED: 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker, and Weinberg)

**AB 6019: Development Code Amendment ZTR21-005 Noise and Residential Exterior Lighting Standards (Ord. No. 22C-02 First Reading)**

Interim CPD Director Jeff Thomas, Deputy CPD Director Alison Van Gorp, and Senior Planner Adam Zack presented Development Code Amendment ZTR21-005 Noise and Residential Exterior Lighting Standards

(Ord. No. 22C-02 First Reading). Senior Planner Zack covered the purpose of the proposed code amendment, the docket item process, background on the proposed code amendment, and an overview of what is being proposed. He described what enforcement of the proposed code amendment could look like.

Council discussed the proposed amendment.

It was moved by Anderl; seconded by Weiker to:

**Not move forward with a second reading of Ord. No. 22C-02 – Development Code Amendment ZTR21-005 Noise and Residential Exterior Lighting Standards.**

PASSED: 5-2

FOR: 5 (Anderl, Jacobson, Nice, Rosenbaum, and Weiker)

AGAINST 2 (Reynolds and Weinberg)

City Council was in recess from 7:08 pm – 7:18 pm.

### **AB 6021: Luther Burbank Docks and Waterfront Project 30% Design Recommendation**

Chief of Operations Jason Kintner and CIP Project Manager Paul West gave a presentation on the Luther Burbank Docks and Waterfront Project 30% Design Recommendation. Parks & Recreation Commission Vice Chair Peter Struck gave an overview of the work that the Parks & Recreation Commission did on the project design recommendation. CIP Project Manager West discussed grant opportunities, budgeting needs, and appropriation needed for the project.

Council reviewed the recommendation and asked questions of staff.

It was moved by Jacobson; seconded by Reynolds to:

1. **Accept the Luther Burbank Docks and Adjacent Waterfront 30% design recommendation from the Parks & Recreation Commission.**
2. **Appropriate \$321,000 of the available fund balance in the Capital Improvement Fund to complete 100% design of the Luther Docks and Adjacent Waterfront Project.**
3. **Accept and appropriate the \$94,200 King County Flood Control District Sub-regional Opportunity Fund grant for design of drainage and LID improvement portion of Phase 2.**
4. **Authorize the City Manager to execute professional services agreements for the remaining project design work.**

PASSED: 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker, and Weinberg)

### **AB 6020: COVID-19 Utility Relief Grant Program Overview**

Deputy Finance Director LaJuan Tuttle and Senior Management Analyst Merrill Thomas-Schadt gave a presentation to Council on the proposed COVID-19 Utility Relief Grant Program. They reviewed the ARPA funds that the City has received, how a portion of those funds can be used to fund a utility grant program, and how the program would be implemented by the Utility Billing team.

Council reviewed the proposal and provided feedback to staff. Staff will return with a final grant program recommendation at a future meeting for final review and approval by the City Council.

## **OTHER BUSINESS**

### **Planning Schedule**

City Manager Bon noted that the first hybrid City Council meeting will be held on March 15 and that the Planning Session on March 26 would also be a hybrid meeting.

### **Councilmember Absences and Reports**

Councilmember Weiker will be absent for the April 5 and July 19 City Council Meetings.

Deputy Mayor Rosenbaum spoke about the PTA Advocacy meeting last week. He also wanted Ukrainian and



Ukrainian-American community members to know that the Mercer Island community is there for them. Councilmember Weiker sent staff the PSRC framework for federal funding opportunities that are coming.

**EXECUTIVE SESSION**

At 8:19 pm, Mayor Nice convened an executive session via Microsoft Teams to discuss with legal counsel pending or potential litigation pursuant to RCW 42.30.110(1)(i) and, for planning or adopting the strategy or position to be taken by the City Council during the course of any collective bargaining, professional negotiations, or grievance or mediation proceedings, or reviewing the proposals made in the negotiations or proceedings while in progress pursuant to RCW 42.30.140(4)(b) for approximately 90 minutes.

Mayor Nice adjourned the executive session at 9:40 pm.

**ADJOURNMENT**

The Council Meeting adjourned at 9:40 pm.

\_\_\_\_\_  
Salim Nice, Mayor

Attest:

\_\_\_\_\_  
Andrea Larson, City Clerk



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

**AB 6026  
March 15, 2022  
Consent Agenda**

**AGENDA BILL INFORMATION**

<b>TITLE:</b>	AB 6026: 2019 Arterial and Residential Street Overlays	<input type="checkbox"/> Discussion Only
<b>RECOMMENDED ACTION:</b>	Accept the completed project and authorize staff to close out the contract.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

<b>DEPARTMENT:</b>	Public Works
<b>STAFF:</b>	Jason Kintner, Chief of Operations Patrick Yamashita, Deputy Public Works Director Clint Morris, Capital Division Manager
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Project Location Map
<b>CITY COUNCIL PRIORITY:</b>	n/a

<b>AMOUNT OF EXPENDITURE</b>	\$ 1,824,631
<b>AMOUNT BUDGETED</b>	\$ 1,973,607
<b>APPROPRIATION REQUIRED</b>	\$ 0

**SUMMARY**

The purpose of this agenda bill is to accept the completed 2019 Arterial and Residential Street Overlays construction project and authorize staff to close out the construction contract.

**BACKGROUND**

The 2019 Arterial and Residential Street Overlays combined arterial and residential street paving locations into one contract for hot mix asphalt (HMA) paving in summer 2019. The project included asphalt overlay of 1.3 miles of East Mercer Way from the 4300 block to SE 53<sup>rd</sup> Place, residential street repaving in two different neighborhoods totaling 1.3 road miles, and patching work on West Mercer Way. Project locations are shown on Exhibit 1. Prior to repaving work, minor storm drainage and water system improvements were completed on these roadways under a separate construction contract.

Project design work began in February 2019 and was completed in early April. Two contractor bids were received on April 23, 2019. In May, the City Council awarded the construction contract to Lakeside Industries in the amount of \$1,668,155 and set the project’s total budget to \$1,973,607 ([AB 5557](#)).

Construction activities on the contract began in early June and all paving was completed by the end of August. Improvements to East Mercer Way included pavement repairs, pre-level paving (to correct irregularities in

roadway profile and cross slope), a 2.5-inch HMA overlay, shoulder gravel, new pavement markings, and utility adjustments.

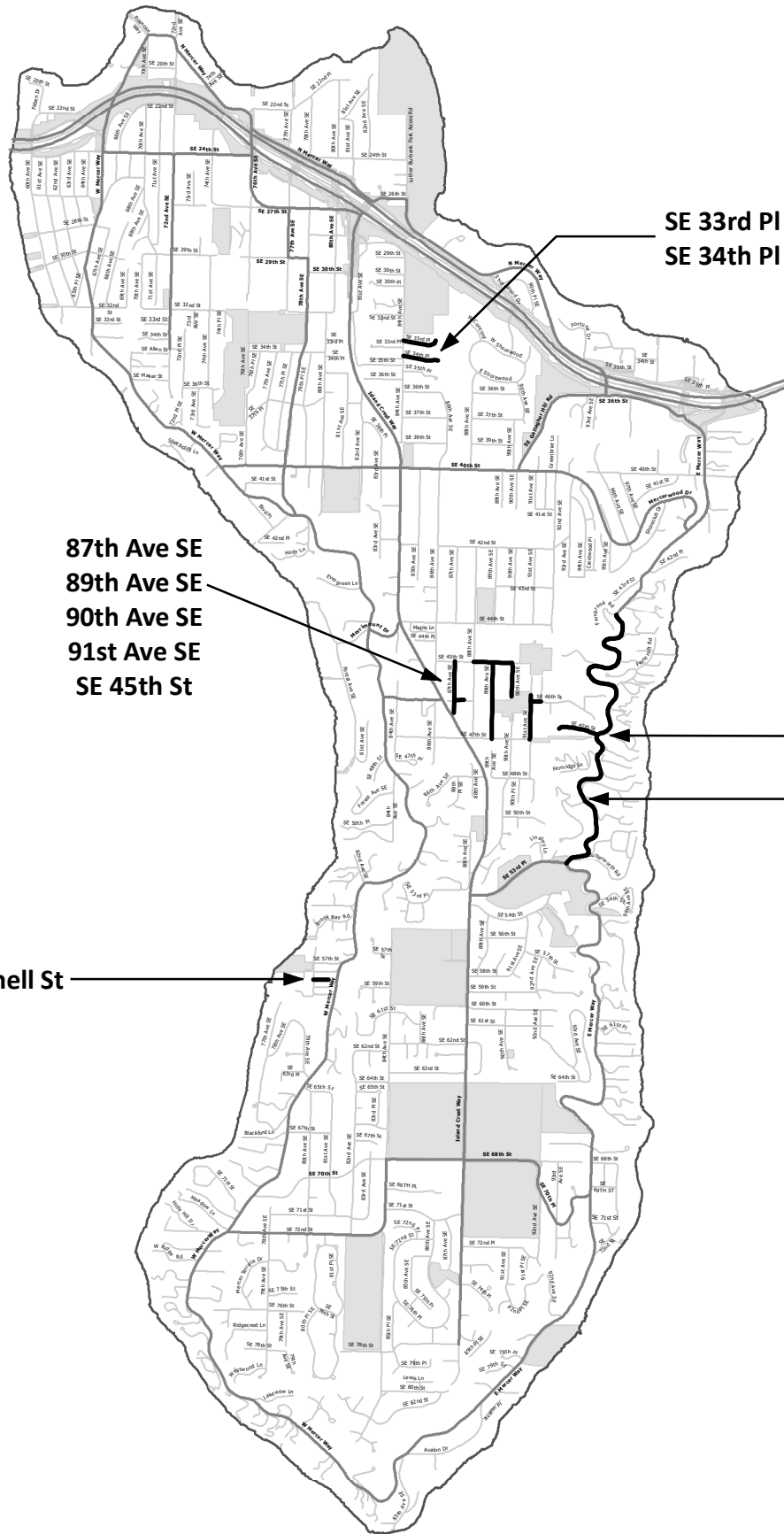
Residential streets in the Ellis Pond area (87<sup>th</sup>, 89<sup>th</sup>, 90<sup>th</sup>, 91<sup>st</sup> Avenues; SE 45<sup>th</sup> and SE 47<sup>th</sup> Streets) received very similar treatments as East Mercer Way. Two other residential streets (SE 33<sup>rd</sup> and SE 34<sup>th</sup> Places) received spot replacements of damaged concrete rolled curbs followed by removal and replacement of all existing asphalt pavement. Additionally, one of the City’s last segments of gravel road, Mitchell Street, was graded and paved with HMA. Finally, four areas of failing pavement on West Mercer Way between the 5200 and 7800 blocks were repaired through a “grind and overlay” process of the affected lanes. All construction on the overlay project was finished by mid-October.

The total cost of the completed project was \$1,824,631, which is 7.5% less than the total amount budgeted at the time of contract award. No contingency funds were needed for construction of the project; however, the design, inspection, and project management costs were all slightly higher than estimated and overran their combined budget by \$13,582 (8%). Actual expenses for the project compared to budget amounts are shown in the following table. The \$148,976 of unspent budget from the project will remain in the Street Fund.

2019 ARTERIAL AND RESIDENTIAL STREET OVERLAYS PROJECT BUDGET AND ACTUAL EXPENDITURES		
Description	Approved Project Budget	Actual Expenditures
<b>Construction Contract</b>		
Schedule A - East Mercer Way Arterial Overlay	\$ 733,181	\$ 732,799
Schedule B - North Island Residential Overlays	\$ 281,019	\$ 270,292
Schedule C - Central Island Residential Overlays	\$ 579,361	\$ 550,616
Schedule D - Patching and Utility Adjustments	\$ 74,595	\$ 68,660
<b>Total Construction Contract</b>	<b>\$ 1,668,155</b>	<b>\$ 1,622,368</b>
Construction Contingency @ 7%	\$ 116,771	\$ -
Project Design	\$ 80,000	\$ 87,047
Inspection Services	\$ 44,000	\$ 48,475
Contract Administration / Project Management	\$ 48,000	\$ 50,060
1% for the Arts	\$ 16,682	\$ 16,682
<b>Total Project Budget and Expenditures</b>	<b>\$ 1,973,607</b>	<b>\$ 1,824,631</b>

**RECOMMENDED ACTION**

Accept the completed 2019 Arterial and Residential Street Overlays project and authorize staff to close out the contract.



## City of Mercer Island 2019 Arterial and Residential Street Overlays

Major Roads  
 Street Centerline

Overlay Project Locations  
 Parks



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

**AB 6027  
March 15, 2022  
Consent Agenda**

**AGENDA BILL INFORMATION**

<b>TITLE:</b>	AB 6027: 2020 Arterial and Residential Street Overlays	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Accept the completed project and authorize staff to close out the contract.	

<b>DEPARTMENT:</b>	Public Works
<b>STAFF:</b>	Jason Kintner, Chief of Operations Patrick Yamashita, Deputy Public Works Director Clint Morris, Capital Division Manager
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Project Location Map
<b>CITY COUNCIL PRIORITY:</b>	n/a

<b>AMOUNT OF EXPENDITURE</b>	\$ 603,485
<b>AMOUNT BUDGETED</b>	\$ 678,022
<b>APPROPRIATION REQUIRED</b>	\$ 0

**SUMMARY**

The purpose of this agenda bill is to accept the completed 2020 Arterial and Residential Street Overlays construction project and authorize staff to close out the construction contract.

**BACKGROUND**

The 2020 Arterial and Residential Street Overlays combined arterial and residential street paving locations into one contract for hot mix asphalt (HMA) paving in summer 2020. Project design work began in January 2020, but by early March the COVID-19 pandemic was having an impact, leading to stay-at-home directives from employers, significant work slowdowns, and even work stoppages. Given the uncertainties of when the Puget Sound region would see the road construction industry resume “normal” work activities, staff made the decision to reduce the size and scope of the 2020 paving work. An arterial street overlay project on SE 68<sup>th</sup> and SE 70<sup>th</sup> Place was postponed until 2022 and the amount of residential street work was significantly reduced.

Design on this reduced work scope was completed in early May and the project was advertised for construction bids. Seven contractor bids were received on May 27, 2020. In June 2020, the City Council awarded the construction contract to Lakeside Industries in the amount of \$488,308 and set the project’s total budget at \$678,022 ([AB 5702](#)).

The project included reconstruction of a short portion of SE 40<sup>th</sup> Street from 76<sup>th</sup> to 78<sup>th</sup> Avenues, asphalt overlay of SE 41<sup>st</sup> Street between 97<sup>th</sup> Ave and East Mercer Way, the reconstruction of a portion of SE 78<sup>th</sup> Street near Lakeridge Elementary School, and patching work on North Mercer Way (see Exhibit 1).

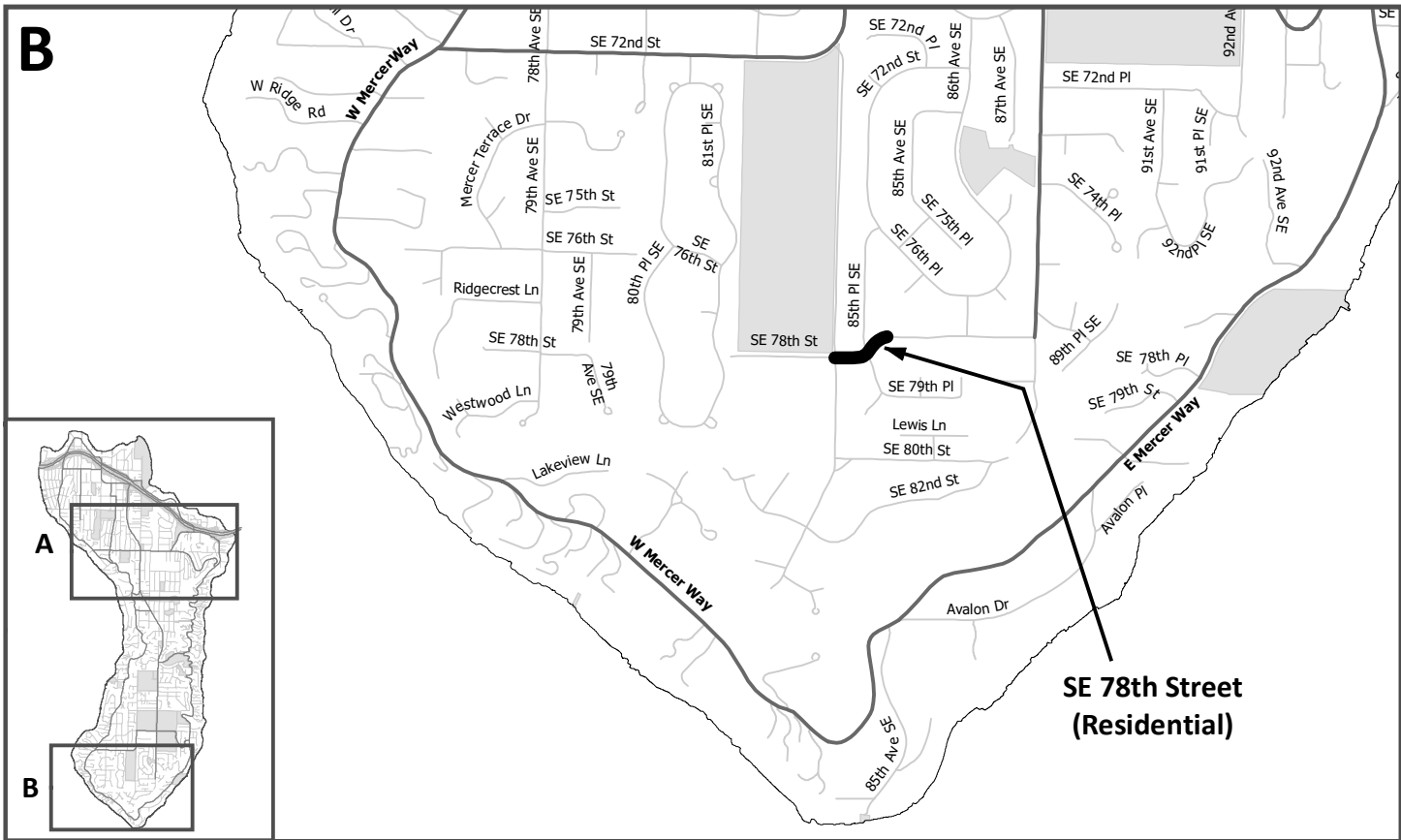
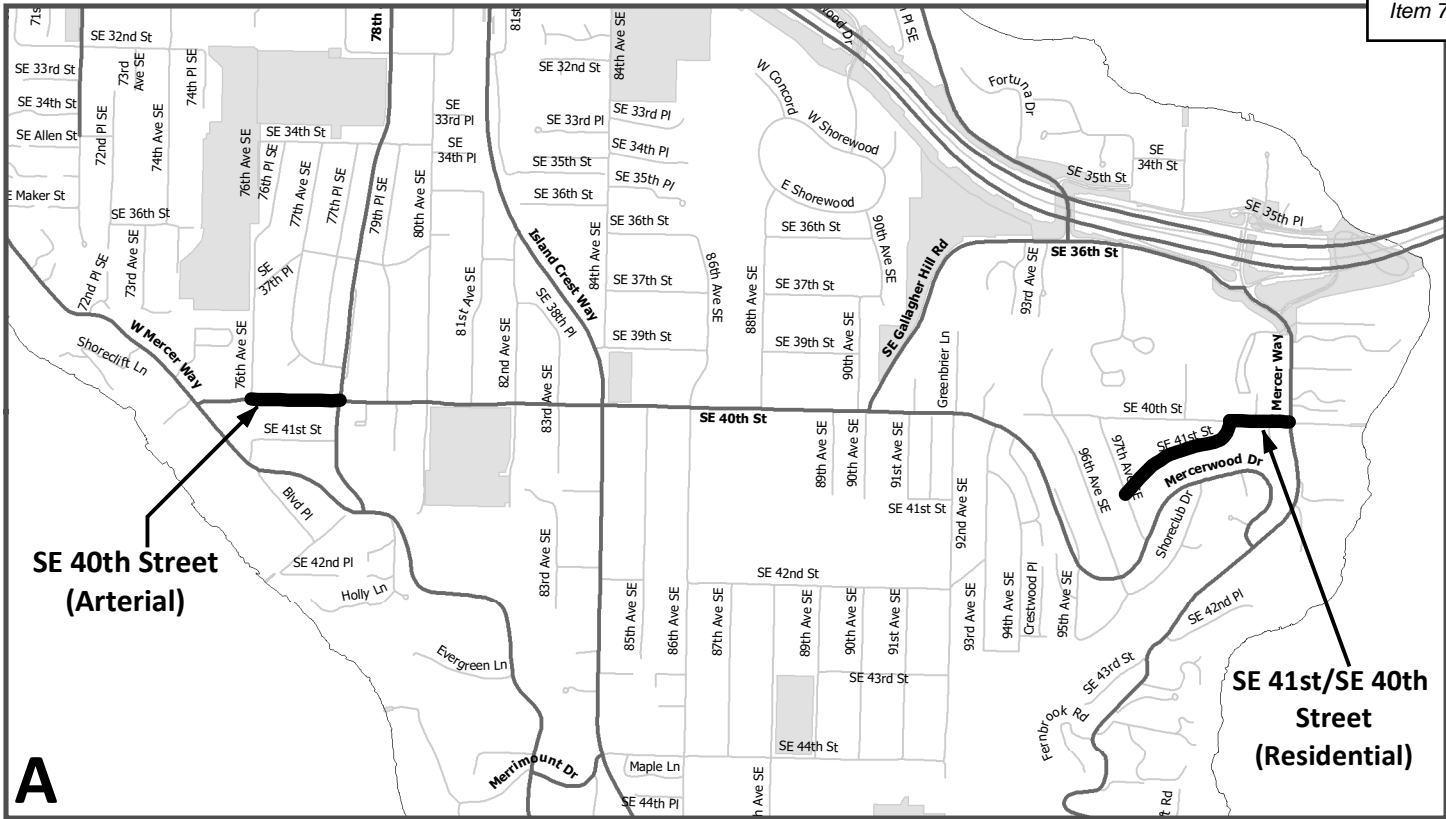
Construction activities on the contract began in mid-July with patching and repaving of SE 41<sup>st</sup> Street. On SE 40<sup>th</sup> Street, areas of damaged and sunken concrete curb and sidewalk were removed and replaced, all existing asphalt was removed curb-to-curb, and 8" of new HMA was placed. SE 78<sup>th</sup> Street between 84<sup>th</sup> and 85<sup>th</sup> Avenue had the existing pavement removed, the base rock was regraded, and 6" of new HMA was placed. In addition, existing concrete sidewalk ramps were removed and replaced with new ramps conforming to current ADA standards, and new pavement markings were installed. On North Mercer Way, a one block "grind and overlay" pavement repair was performed in the 7500 block. All construction on the project was finished by early September.

The total cost of the completed project was \$603,485, which is 11% less than the total amount budgeted at the time of contract award. There was one change order on the contract, for \$9,750, which added more traffic control hours to Schedules A, B, and C. Construction was completed for \$4,944 more than the original bid price, but final costs for design, inspection, and project management were less than anticipated. Actual expenses for the project compared to budget amounts are shown in the following table. The \$74,537 of unspent budget from the project will remain in the Street Fund.

2020 ARTERIAL AND RESIDENTIAL STREET OVERLAYS PROJECT BUDGET AND ACTUAL EXPENDITURES		
Description	Approved Project Budget	Actual Expenditures
<b>Construction Contract</b>		
Schedule A - SE 40th Street	\$ 194,044	\$ 195,407
Schedule B - SE 40th / SE 41st Streets	\$ 128,851	\$ 130,439
Schedule C - SE 78th Street	\$ 147,242	\$ 149,488
Schedule D - NMW Patching	\$ 18,171	\$ 17,917
<b>Total Construction Contract</b>	<b>\$ 488,308</b>	<b>\$ 493,252</b>
Construction Contingency @ 10%	\$ 48,831	\$ -
Project Design	\$ 68,000	\$ 53,000
Inspection Services	\$ 32,000	\$ 24,703
Contract Administration / Project Management	\$ 36,000	\$ 27,597
1% for the Arts	\$ 4,883	\$ 4,933
<b>Total Project Budget and Expenditures</b>	<b>\$ 678,022</b>	<b>\$ 603,485</b>

## RECOMMENDED ACTION

Accept the completed 2020 Arterial and Residential Street Overlays project and authorize staff to close out the contract.



## City of Mercer Island 2020 Arterial and Residential Street Overlays

<ul style="list-style-type: none"> <li><span style="display: inline-block; width: 20px; height: 2px; background-color: gray; margin-right: 5px;"></span> Major Roads</li> <li><span style="display: inline-block; width: 20px; border-bottom: 1px solid gray; margin-right: 5px;"></span> Street Centerline</li> </ul>	<ul style="list-style-type: none"> <li><span style="display: inline-block; width: 20px; height: 10px; background-color: black; margin-right: 5px;"></span> Overlay Project Locations</li> <li><span style="display: inline-block; width: 20px; height: 10px; background-color: gray; margin-right: 5px;"></span> Parks</li> </ul>	<p style="font-size: small; margin: 0;">Information &amp; Geographic Services Map Date: 6/19/2020 2020StreetOverlays.mxd</p>
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## BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

**AB 6040**  
**March 15, 2022**  
**Regular Business**

### AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 6040: Consider 2024 Comprehensive Plan Periodic Review Scope of Work, Master Schedule, and Public Participation Plan and related Port of Seattle Economic Development Grant Funding for 2022-23	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Approve Resolution No. 1621 for Comprehensive Plan Periodic Review and Direct City Manager to Pursue Grant Funding for 2022-23.	

<b>DEPARTMENT:</b>	Community Planning and Development
<b>STAFF:</b>	Jeff Thomas, Interim CPD Director Adam Zack, Senior Planner Sarah Bluvus, Economic Development Coordinator
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Resolution No. 1621 with Exhibits A, B and C 2. Proposed Amendments Matrix
<b>CITY COUNCIL PRIORITY:</b>	n/a

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

### SUMMARY

The purpose of this agenda bill is to consider a Resolution to approve a scope of work, master schedule, and public participation plan for completing the required periodic review of the Mercer Island Comprehensive Plan ("Comprehensive Plan"). Additional summary information includes:

- The Washington State Growth Management Act (GMA) requires King County and incorporated jurisdictions within King County to complete a periodic review of their comprehensive plans on or before June 30, 2024. City Council adoption of the periodic review of the Comprehensive Plan is anticipated by April 2024.
- The draft scope of work, master schedule, and public participation plan were initially presented to the City Council on February 15, 2022 ([AB 6015](#)).
- Resolution No. 1621 with exhibits containing the staff recommended scope of work, master schedule, and public participation plan are included as Exhibit 1.
- The City Council and Planning Commission were invited to submit amendment proposals to the scope, the master schedule, and/or the public participation plan. Requests received by the end of business on March 1 are included in Exhibit 2.



- On March 15, 2022, the City Council will determine which requests in Exhibit 2, if any, to include as part of its approval of Resolution No. 1621.
- Staff also requests authorization from the City Council to pursue economic development grant funds from the Port of Seattle (2022-2023 grant cycle) to support the development and implementation of a new Comprehensive Plan Economic Development Element.

## BACKGROUND

The Mercer Island Comprehensive Plan sets forth a vision and establishes goals, policies, and implementation actions for managing and growing into the future. The vision is a statement of how the Comprehensive Plan will guide the City. The goals describe what objectives the City will pursue to further the vision. The policies and implementation actions established in the Comprehensive Plan describe what the City will do to achieve its goals and provide crucial guidance for the City in capital improvements, development regulations, and other supporting programs and services.

The Comprehensive Plan considers projected growth during a twenty-year period called a “planning horizon”. Currently, the GMA requires cities and counties to update each respective plan every nine years to extend the planning horizon. The Comprehensive Plan is shaped by a combination of state, regional, county, and local contexts.

The City of Mercer Island adopted its first GMA compliant Comprehensive Plan in 1994 (Ordinance A-122). The City’s Comprehensive Plan has been amended several times since 1994. The last periodic review of the Comprehensive Plan was completed in 2015. The existing Comprehensive Plan planning period is 2015 to 2035. The next mandated periodic review of the Mercer Island Comprehensive Plan must be adopted by June 30, 2024 (RCW 36.70A.130). This periodic review will update the planning period for the Comprehensive Plan to be 2024 to 2044.

The City is now preparing to undertake the next periodic review of the Comprehensive Plan. At its February 15, 2021 meeting, the City Council reviewed the draft scope of work, master schedule and public participation plan (summarized below).

## OVERVIEW

Resolution No. 1621 (Exhibit 1) includes the staff recommended scope of work and master schedule (Exhibit 1A), the public participation plan (Exhibit 1B), and charters establishing the Housing Work Group and the Economic Development Work Group (Exhibit 2C). Approval of Resolution No. 1621 will adopt the scope of work, master schedule, and public participation plan and establish the Economic Development Work Group and Housing Work Group. Potential amendments to the project scope of work are included as Exhibit 2.

### Scope of Work (Exhibit 1A)

The scope of work proposes a focused “surgical” periodic review of the Comprehensive Plan. The concept is to have a narrow scope of work, primarily limited to only those updates required by state law. As such, the element-specific tasks for the Land Use, Utilities, Capital Facilities, and Transportation Elements are primarily constrained to only those updates required by the GMA and to account for recent planning actions.

There are two aspects of the periodic review that will include more extensive goal and policy work beyond the technical updates elsewhere in the Comprehensive Plan – development of a new Economic Development Element and amendments to housing goals and policies to address the findings in the *Housing Needs Assessment*.

### Master Schedule (Exhibit 1B)

The Master Schedule establishes key milestones over the course of the two-year project, which is expected to commence this spring and conclude with City Council adoption in April 2024 and filing with appropriate agencies in May 2024. Most of 2022 and 2023 will be spent preparing technical analyses and drafting amendments with the Planning Commission culminating in public workshops in the late summer and fall of 2023. The project will then enter the public hearing phase at the end of 2023. The Planning Commission public hearing and deliberations are planned to take approximately 3 months from September to November 2023. The City Council review process will begin after the Planning Commission makes a recommendation. The Council review will include a public hearing and is expected to take roughly 4 months from January to April 2024.

### Public Participation Plan (Exhibit 1C)

Public participation is a vital aspect of the periodic review process. Public participation improves the planning process by gathering the shared knowledge and experience of the community and fostering public confidence in the periodic review process. The public participation plan details the engagement goals, tasks, phases, and schedule for public participation during the periodic review. Key activities include a dedicated Let's Talk page providing up-to-date project information, community workshops and the formation of two work groups to inform the more extensive work planned for the Economic Development and Housing Elements.

### Amendment Proposals

The City Council and Planning Commission were invited to submit amendment proposals to the scope of work, master schedule, and/or the public participation plan. Exhibit 2 summarizes the proposals received and includes staff comments. At the March 15 City Council meeting, staff will review each of the requested amendments and the City Council will determine which of the requests, if any, to include as amendments to Resolution No. 1621.

## **ECONOMIC DEVELOPMENT AND HOUSING WORK GROUPS**

The public participation plan calls for the formation of two work groups that will assist in preparing the initial draft of the Economic Development Element and amendments to the Housing Element.

Resolution No. 1621, Section 3 establishes these two work groups. The work group charters included in Exhibit C outline the mission, duties, and procedures for each work group. Staff recommends the work groups be composed of two City Councilmembers and two Planning Commissioners. Work group volunteers will be selected by each body.

The Economic Development Work Group is expected to commence work in May and finish the initial draft of the Economic Development Element by August 2022. The Housing Work Group is expected to commence work in June and finish the initial draft of amendments to the Housing Element by October 2022. Work group members can anticipate meeting at least once per month through this summer to review draft materials.

The terms for both work groups automatically expire when the work groups finish preparing the initial drafts and provide them to the Planning Commission, unless the City Council extends the term.

## **ADDITIONAL FUNDING AVAILABLE - ECONOMIC DEVELOPMENT ELEMENT**

The Port of Seattle opened applications for the 2022-2023 Economic Development Partnership grant program on February 10, 2022. This program provides per-capita, reimbursement-based grant funding every year to foster economic development initiatives in King County. Starting in 2022, the Port is piloting a two-year grant

cycle, meaning cities will apply for funding in March 2022 and have until November 2023 to complete projects and submit final grant reporting documents. Each city will receive two years of grant funding; for the City of Mercer Island, this will amount to approximately \$25k each year for a total of \$50k in awarded funds. Additionally, the grant program requires at least a 50 percent match from the city; up to half of that match requirement can come from in-kind staff support, and at least half of it must be a cash match.

Staff confirmed with the Port that the City may use a portion of funds from this grant cycle to support economic development planning work. As such, staff propose shaping the City's grant application and project scope to include the following:

- **2022 funding:** Support the economic analysis/technical work needed as part of the process to develop an Economic Development Element for the City's periodic update to the comprehensive plan.
- **2023 funding:** Support the development of an implementation strategy for the Economic Development Element and execute quick action items (where applicable).

The Port is still interested in supporting small businesses in recovering from the COVID-19 pandemic, so staff will reserve funds each year to provide "buy local" support to Island businesses. Additionally, the Port recognizes that cities may need to revisit their project scopes in 2023 and is willing to accommodate Mercer Island's needs if we must adjust projects after the first year of the grant cycle.

If the City Council is amenable to this approach, staff will move forward with applying for the 2022-2023 grant program. Applications close on March 18, 2022, and the Port anticipates completing the contracting process by the end of May 2022. After executing the agreement, the City will have 18 months to complete projects, with final reports due November 23, 2023.

#### **NEXT STEPS**

After the City Council has adopted Resolution No. 1621, the planning process will commence.

Staff will be contracting with consultants to compile data and perform technical analyses to support the review process, as well as assisting with public outreach and engagement. The Planning Commission and City Council will each select representatives for the two work groups later by May 2022. A City Council Study Session is planned for June 2022 to present initial technical work related to the housing and economic development elements. By summer 2022, the Planning Commission will begin review of the Comprehensive Plan elements one-by-one, with work continuing through 2023.

#### **RECOMMENDED ACTION**

1. Approve Resolution No. 1621, adopting the scope of work, master schedule and public participation plan including the establishment of the Economic Development Work Group and the Housing Work Group for the 2024 periodic review of the Mercer Island Comprehensive Plan as [presented / amended].
2. Direct the City Manager to pursue an economic development grant from the Port of Seattle for the 2022-2023 grant cycle to support the development and implementation of a new Comprehensive Plan Economic Development Element.

CITY OF MERCER ISLAND  
RESOLUTION NO. 1621

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**A RESOLUTION OF THE CITY OF MERCER ISLAND, WASHINGTON  
APPROVING A SCOPE OF WORK, MASTER SCHEDULE AND PUBLIC  
PARTICIPATION PLAN FOR THE 2024 COMPREHENSIVE PLAN PERIODIC  
REVIEW.**

WHEREAS, the Growth Management Act (GMA) was adopted by the WA State Legislature; and

WHEREAS, the GMA requires counties and cities in Washington State to adopt and periodically review comprehensive plans; and

WHEREAS, the last periodic review of the Mercer Island Comprehensive Plan was adopted by Ordinance 16-07 on June 6, 2016; and

WHEREAS, the next periodic review of the Mercer Island Comprehensive Plan must be completed by June 30, 2024; and

WHEREAS, on February 15, 2022, the Mercer Island City Council was briefed on the proposed 2024 Comprehensive Plan Periodic Review Scope of Work, Master Schedule and Public Participation Plan; and

WHEREAS, on February 16, 2022, the Mercer Island Planning Commission was briefed on the proposed 2024 Comprehensive Plan Periodic Review Scope of Work, Master Schedule and Public Participation Plan; and

WHEREAS, the Mercer Island City Council and Planning Commission provided comments and requests to amend the 2024 Comprehensive Plan Periodic Review Scope of Work, Master Schedule and Public Participation Plan by March 1, 2022; and

WHEREAS, the Mercer Island City Council and Planning Commission requests to amend the 2024 Comprehensive Plan Periodic Review Scope of Work, Master Schedule and Public Participation Plan were logged and provided to the City Council with Agenda Bill 6040; and

WHEREAS, in Agenda Bill 6040 dated March 7, 2022, the Community Planning and Development Department recommended the approval of the 2024 Comprehensive Plan Periodic Review Scope of Work, Master Schedule and Public Participation Plan; and

WHEREAS, on March 15, 2022, the City Council considered requests to amend the 2024 Comprehensive Plan Periodic Review Scope of Work, Master Schedule, and Public Participation Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AS FOLLOWS:

**Section 1. The 2024 Comprehensive Plan Periodic Review Scope of Work and Master Schedule in Exhibit A are hereby approved.**

**Section 2. The 2024 Comprehensive Plan Update Public Participation Plan in Exhibit B is hereby approved.**

1 **Section 3. A Comprehensive Plan Housing Work Group and Economic Development**  
2 **Work Group shall be formed subject to the terms of the charters in Exhibit C.**

3  
4 PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AT ITS  
5 MEETING ON THE 15TH DAY OF MARCH 2022.

6  
7 CITY OF MERCER ISLAND

8  
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11 \_\_\_\_\_  
12 Salim Nice, Mayor

13 ATTEST:

14  
15  
16 \_\_\_\_\_  
17 Andrea Larson, City Clerk

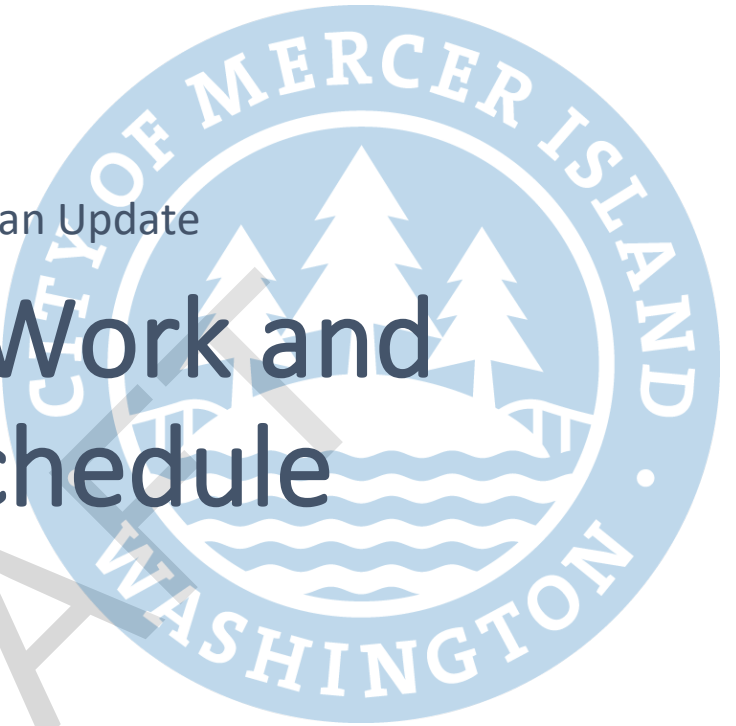
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20 **EXHIBITS**

- 21  
22 A. 2044 Comprehensive Plan Periodic Review Scope of Work and Master Schedule  
23  
24 B. 2044 Comprehensive Plan Periodic Review Public Participation Plan  
25  
26 C. Housing Work Group and Economic Development Work Group Charters  
27  
28

2044 Comprehensive Plan Update

# Scope of Work and Master Schedule

City of Mercer Island, WA



DRAFT

Department of Community Planning and Development  
Second Draft: March 9, 2022

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    Table 2. Comprehensive Plan Element-Specific Subtasks..... 9

DRAFT

1 **Scope of Work**

2 **Purpose**

3 The Washington State Growth Management Act (GMA) requires King County and incorporated  
4 jurisdictions within King County to update their Comprehensive Plan on or before June 30, 2024. This  
5 proposed project to update the 2015 Mercer Island Comprehensive Plan to plan for growth through the  
6 year 2044 is intended to satisfy this state requirement.

7  
8 At its core, the *Comprehensive Plan* sets forth a vision and establishes goals, policies, and implementation  
9 actions for managing and growing into the future. The vision is a statement of how the Comprehensive  
10 Plan will guide the City. Comprehensive Plan goals describe what objectives the City will pursue to further  
11 the vision. The policies and implementation actions established in the Comprehensive Plan describe what  
12 the City will do to achieve its goals and provide crucial guidance for the City in capital improvements,  
13 development regulations and other supporting programs and services.

14  
15 The Comprehensive Plan considers projected growth during a twenty-year period called a “planning  
16 horizon”. Currently, the GMA requires cities and counties to update each respective plan every nine years  
17 to extend the planning horizon.

18  
19 There are five categories of amendments expected during this periodic Comprehensive Plan update as  
20 follows:

- 21  
22 1. Amendments required by the GMA;  
23  
24 2. Amendments required by regional planning documents such as the Puget Sound Regional  
25 Council (PSRC) *Vision 2050* and King County Countywide Planning Policies;  
26  
27 3. Amendments required to extend the planning horizon to the year 2044;  
28  
29 4. Amendments to reflect City actions since the last update; and  
30  
31 5. Other amendments as directed by City Council, referred to herein as local choices.

32  
33 Within each category, there may be technical and/or policy amendments required. Technical  
34 amendments generally provide little to no discretion and focus on necessary data compilation and  
35 analysis, often required by state, regional or county agencies. Policy amendments generally are more  
36 discretionary as they typically involve local responses to findings highlighted by technical amendments.

37  
38 **Strategy**

39 The primary focus of this periodic Comprehensive Plan update is to ensure consistency with technical  
40 and/or policy changes by state, regional or county agencies and to incorporate new growth projections to  
41 extend the planning horizon to the year 2044. The population growth projection is provided by the  
42 Washington State Office of Financial Management (OFM). The expected regional growth in population  
43 and employment for the central Puget Sound area is distributed to counties by the Puget Sound Regional  
44 Council (PSRC) via the policies established in *Vision 2050*. Forecasted growth is allocated to individual  
45 cities within King County via countywide planning policies. Updating growth projections is largely a  
46 technical process because the projections have already been set by state, regional, and county efforts.



1 The proposed strategy for this periodic Comprehensive Plan update is largely “surgical” in nature with a  
2 few key exceptions. That the City is planning a largely surgical update reflects both the quality of the  
3 existing Comprehensive Plan as well as the results of the countywide new growth projections process  
4 from 2021. Generally, the existing Comprehensive Plan vision, goals, and policies still align with the results  
5 of the new growth projections process, hence the proposed surgical nature of this periodic  
6 Comprehensive Plan update to ensure consistency with technical and/or policy changes by state, regional  
7 or county agencies.

8  
9 The two key exceptions to this surgical strategy that will require more extensive technical and policy work  
10 are drafting an Economic Development Element and updating the Housing Element to address the findings  
11 and recommendations from the *Housing Needs Assessment*.

12  
13 The Economic Development Element will include goals and policies to define the City’s role in economic  
14 development. This effort will require additional public outreach to ensure that the Economic Development  
15 Element aligns with the City’s vision for economic development through the planning horizon. The  
16 expanded scope and public participation plan for the Economic Development Element reflect the broader  
17 nature of this effort.

18  
19 As a prelude to a Housing Element update, the City will prepare a *Housing Needs Assessment*. The *Housing*  
20 *Needs Assessment* is a technical document that defines housing need across all income segments based  
21 on housing inventory and projected growth. Goal and policy amendments during the Comprehensive Plan  
22 update may be required to address housing needs. If such amendments are needed to address  
23 recommendations in the *Housing Needs Assessment*, a process broader than the surgical update may be  
24 required. As such, the scope and public participation plan for the Housing Element update allows  
25 additional room for goal and policy work in response to the *Housing Needs Assessment*.

26  
27 **Schedule**

28 City Council is scheduled to consider the approval of this project scope, schedule, and public participation  
29 plan in March 2022. Once approved, work will immediately commence. Final City Council adoption of  
30 the periodic Comprehensive Plan update is proposed for April 2024. Filing of the 2044 Mercer Island  
31 Comprehensive Plan to state, regional and county agencies will immediately follow the Comprehensive  
32 Plan update adoption. A proposed Master Schedule is provided in Table 1 followed by a summary of tasks  
33 and sub tasks.

34

1 **Table 1. Comprehensive Plan Periodic Review Master Schedule.**

Task #	Task Description	2022												2023												2024					
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
1	Develop a scope of work and public participation plan	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
2	Public Participation	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
3	Consultant contracts	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
PP-2.1*	EDE stakeholder and SME interviews	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
PP-2.2*	EDE Community Vision Workshop	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
PP-2.3*	EDE Vision Survey	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
4	Housing Needs Assessment and Economic Analysis Planning Commission and City Council Briefings	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
PP-2.4*	Economic Development Work Group meeting with stakeholders and SMEs	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
PP-3.1*	Housing Work Group prepares initial list of housing policy responses	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
5	Land Use Element Planning Commission review	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
6	Transportation Element Planning Commission Review	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
PP-3.2*	Housing Work Group meeting with SMEs to refining draft Housing Element	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
PP-2.5*	Economic Development Work Group meeting with stakeholders to refine the first draft of the EDE	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
7	Housing Element Planning Commission Review	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
8	EDE Planning Commission Review	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
PP-2.8*	EDE Community Workshop	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
9	Utilities Element Planning Commission Review	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
10	Capital Facilities Element Planning Commission Review	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J

Task #	Task Description	2022												2023												2024					
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
PP-4.3*	Overall Comprehensive Plan update Community Workshop	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
11	Planning Commission Comprehensive Plan update tune up	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
12	SEPA Review	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
13	Planning Commission Overall Comprehensive Plan update public hearing	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
14	Planning Commission Overall Comprehensive Plan Deliberations	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
15	Planning Commission Comprehensive Plan Update Recommendation	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
16	City Council receives Planning Commission recommendation	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
17	City Council overall Comprehensive Plan update public hearing	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
18	City Council overall Comprehensive Plan update deliberations	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
19	City Council adopts Comprehensive Plan update	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
20	City files adopted Comprehensive Plan update with PSRC, Commerce, and King County	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J

Note: \* Tasks labeled "PP" are drawn from the Public Participation Plan. Please see the Public Participation Plan for a description of and numbering for these tasks.

1  
2  
3

1 **Tasks**

2 **Task 1 – Develop a Scope of Work and Public Participation Plan** **January – March 2022**

3 City staff will prepare a draft scope of work (SOW) and public participation plan (PPP) for the  
4 Comprehensive Plan update. The City Council and Planning Commission will provide input on the SOW  
5 and PPP before the City Council adopts them by resolution

6 *Deliverable:* A SOW and PPP for the *Comprehensive Plan* update.  
7

8 **Task 2 – Public Participation** **Duration of Comprehensive Plan update**

9 Public participation will be integrated throughout the project as established by the PPP developed during  
10 Task 1. Public participation strategies will include public comment periods, public meetings, stakeholder  
11 and subject matter expert consultations, community workshops, and public hearings. Specific  
12 engagement strategies are detailed in the PPP.

13 *Deliverable:* Public participation opportunities throughout the Comprehensive Plan update, see PPP for  
14 more detail.  
15

16 **Task 3 – Consultant Contracts** **March – April 2022**

17 The City will retain qualified professional consultant services for specific projects during the  
18 Comprehensive Plan update. Task 3 will involve preparing and executing contracts for consultants.

19 *Deliverable:* Consultant contracts for work during the Comprehensive Plan update.  
20

21 **Task 4 – Housing Needs Assessment and Economic Analysis Planning Commission** **June 2022**  
22 **and City Council Briefings**

23 The City will prepare two technical reports that provide data on housing and the Mercer Island economy.  
24 First, the City will produce a *Housing Needs Assessment* (HNA). The HNA is a document detailing the  
25 expected housing needs in the City throughout the planning period based on the forecasted growth,  
26 existing housing stock, and land use assumptions in the Comprehensive Plan. The GMA requires the City  
27 to plan for accommodating the projected growth through the planning horizon, including housing needs  
28 for people across all income levels. The HNA will help the City ensure that the Comprehensive Plan  
29 accounts for the projected growth in housing. The Planning Commission will be briefed on the HNA before  
30 progressing to work on the Housing Element later in the Comprehensive Plan update.

31 In addition to the HNA, the City will produce an Economic Analysis of the local economy. The Economic  
32 Analysis will provide data that current economic conditions and expected growth during the planning  
33 period. The information in this technical report will underpin the later work on the Economic  
34 Development Element.

35 *Deliverable:* A final draft of the *Housing Needs Assessment* and *Economic Analysis*.  
36

37 **Task 5 – Land Use Element Planning Commission Review** **July – October 2022**

38 New growth projections will be incorporated into the Land Use Element of the Comprehensive Plan.  
39 Incorporating the new growth projections will be a technical update of the Land Use Element, with  
40 minimal changes to goals and policies. No changes to land use designations are expected. Assumptions  
about growth inform the other updates of the Comprehensive Plan and so the work on the Land Use

1 Element should be completed early in the periodic review. The Planning Commission will review and  
2 prepare a public hearing draft of the updated Land Use Element in the early stages of the Comprehensive  
3 Plan update.

4

5 *Deliverable:* A public hearing draft of the Land Use Element.

6

**Task 6 – Transportation Element Planning Commission Review July – October 2022**

7 The GMA requires that the Comprehensive Plan be internally consistent, using the same assumptions  
8 about growth throughout all Comprehensive Plan elements. Updating the growth projections in the  
9 Comprehensive Plan will require updates to the Transportation Element. These updates will largely be  
10 technical amendments to ensure that expectations about transportation demand are consistent with  
11 assumptions about growth elsewhere in the Comprehensive Plan. The Planning Commission will review  
12 the amendments to the Transportation Element necessary to update the growth projections and maintain  
13 internal consistency.

14

15 *Deliverable:* A public hearing draft of the Transportation Element.

16

**Task 7 – Housing Element Planning Commission Review October – December 2022**

17 The findings in the HNA will likely require updates to the goals, policies, and programs established in the  
18 Housing Element. The Planning Commission will review the HNA findings and recommend updates to the  
19 Housing Element as needed. The updates to the Housing Element are one aspect of the Comprehensive  
20 Plan update where substantive amendments to goals and policies are expected.

21

22 *Deliverable:* A public hearing draft of the Housing Element.

23

**Task 8 – Economic Development Element Planning Commission Review January – April 2023**

24 An Economic Development Element establishes goals and policies that provide for economic vitality in the  
25 City through the planning horizon. The Comprehensive Plan does not currently have an Economic  
26 Development Element; adopting one during the update is a local choice. Preparing an Economic  
27 Development Element is an aspect of the Comprehensive Plan update where significant public  
28 participation will be required to ensure that the goals and policies of the element reflect the collective  
29 vision of a vital economy on the island. The Planning Commission will review the proposed Economic  
30 Development Element during the latter half of the Comprehensive Plan update project.

31

32 *Deliverable:* a public hearing draft of the Economic Development Element.

33

**Task 9 – Utilities Element Planning Commission Review March – June 2023**

34 The GMA requires a Utilities Element that ensures utility capacity will keep pace with the projected  
35 growth. The Utilities Element includes an inventory of facilities that will need to be consistent with the  
36 new growth projections. Work on the Utilities Element will include an update of the utilities inventory  
37 and assessment of future needs. The Planning Commission will review the amendments to the Utilities  
38 Element necessary to update the growth projections and maintain internal consistency.

39

40 *Deliverable:* A public hearing draft of the Utilities Element.

41

**Task 10 – Capital Facilities Element Planning Commission Review March – June 2023**

42 The GMA requires a Capital Facilities Element that ensures capital facility capacity keeps pace with the  
43 projected growth. The Capital Facilities Element includes an inventory and level of service (LOS) analysis

1 of facilities to ensure that capital facility LOS keeps pace with projected growth. The Planning Commission  
2 will review the amendments to the Capital Facilities Element necessary to update the growth projections  
3 and maintain internal consistency.

4  
5 *Deliverable:* A public hearing draft of the Capital Facilities Element.  
6

**Task 11 – Planning Commission Comprehensive Plan Update Tune Up** **July 2023**

7 The Planning Commission will review the overall Comprehensive Plan update and consider the feedback  
8 received during the community workshop. More information about the community workshop is provided  
9 in the PPP. This review will allow the Planning Commission to incorporate public input in advance of their  
10 public hearing.

11  
12 *Deliverable:* A public hearing draft of the overall *Comprehensive Plan* update.  
13

**Task 12 – SEPA Review** **August – September 2023**

14 The City is required to review potential environmental impacts under the State Environmental Policy Act  
15 (SEPA). Prior to adopting the Comprehensive Plan update, the City must issue a SEPA determination. The  
16 SEPA determination will be issued after the Planning Commission has prepared a public hearing draft of  
17 amendments to the Comprehensive Plan and before the Planning Commission holds a public hearing.

18  
19 *Deliverable:* A SEPA determination covering the amendments proposed with the Comprehensive Plan  
20 update.  
21

**Task 13 – Planning Commission Public Hearing** **September 2023**

22 Prior to making a recommendation to the City Council, the Planning Commission will hold a public hearing  
23 on the Comprehensive Plan update.

24  
25 *Deliverable:* Public input regarding the Comprehensive Plan update for the Planning Commission.  
26

**Task 14 – Planning Commission Deliberations** **October – November 2023**

27 Prior to making a recommendation to the City Council, the Planning Commission will consider the input  
28 received during the public hearing on the Comprehensive Plan update.

29  
30 *Deliverable:* Public input regarding the Comprehensive Plan update for the Planning Commission.  
31

**Task 15 – Planning Commission Comprehensive Plan Update Recommendation** **November 2023**

32 Making a recommendation to the City Council on the Comprehensive Plan update is the final action the  
33 Planning Commission will take on the periodic review.

34  
35 *Deliverable:* the Planning Commission recommendation to the City Council regarding the Comprehensive  
36 Plan update.  
37

**Task 16 – City Council Receives Planning Commission Recommendation** **January 2024**

38 The City Council will be briefed on the Planning Commission recommendation for the overall  
39 Comprehensive Plan update. This briefing will prepare the City Council to hold a public hearing on the  
40 proposed amendments.  
41

1 *Deliverable:* A first draft of an ordinance to adopt the Comprehensive Plan update.

2

**Task 17 – City Council Public Hearing** **February 2024**

3 Once the Planning Commission makes a recommendation to the City Council, the Council will consider the  
4 recommendation during a public hearing. The public hearing can take place over the course of several  
5 City Council Meetings. The City Council will adopt the Comprehensive Plan update by ordinance following  
6 the public hearing.

7

8 *Deliverable:* Public input on the Comprehensive Plan update.

9

**Task 18 – City Council Deliberations** **March – April 2024**

10 Prior to adopting the Comprehensive Plan update, the City Council will consider the input received during  
11 the public hearing on the Comprehensive Plan update.

12

13 *Deliverable:* A refined ordinance to adopt the Comprehensive Plan update.

14

**Task 19 – City Council Adopts the Comprehensive Plan Update** **April 2024**

15 The City Council will adopt the 2024 Comprehensive Plan update by ordinance following a public hearing.  
16 The target date for adoption is April 2024.

17

18 *Deliverable:* 2044 Comprehensive Plan Update adoption by ordinance.

19

**Task 20 – City Files Adopted *Comprehensive Plan Update With PSRC, Commerce, and* **May 2024**  
**King County****

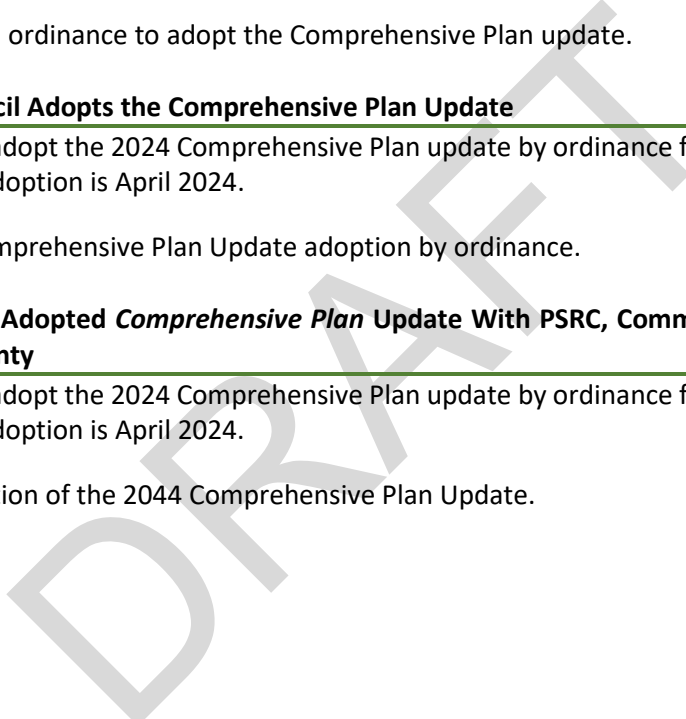
20 The City Council will adopt the 2024 Comprehensive Plan update by ordinance following a public hearing.  
21 The target date for adoption is April 2024.

22

23 *Deliverable:* Certification of the 2044 Comprehensive Plan Update.

24

25



**Element-Specific Subtasks**

There are specific tasks that will be associated with the update of each Comprehensive Plan Element. Table 3 shows the element-specific subtasks that make up the Comprehensive Plan update. The majority of these subtasks are required by state, regional, and King County planning policies. Some element-specific subtasks are local choices. Some of the local choice subtasks have been added to the scope of work by other actions such as the Annual Docket or recently adopted development code changes. Local choice subtasks are highlighted in green in Table 3.

**Table 2. Comprehensive Plan Element-Specific Subtasks.**

Land Use Element		
Subtask Number	Task Description	Required or Local Choice
LU-1	Revise Land Use Element Section III to incorporate new growth projections	Required
LU-2	Add policy to Land Use Element Goal 18 to adopt the City Stormwater Management Plan by reference	Required
LU-3	Update capacity discussion in Land Use Element Section III to incorporate forecasted growth in population and employment.	Required
LU-4	Update Figure TC-1 with new map, relocate figure to be under Goal 2. Include policy referencing Figure TC-1	Local Choice
LU-5	Review Town Center policies under Goal 2 to be consistent with the 2021 commercial use requirements update, including ‘no net loss’ of commercial land in Town Center policy.	Local Choice
LU-6	Add policy(s) to Land Use Element Goal 14 regarding preserving existing commercial use square footage in Town Center.	Local Choice
LU-7	Adopt Climate Action Plan by reference in Land Use Element Section V, Goal 28	Local Choice
LU-8	Review and, if necessary, amend climate change policies in response to the Climate Action Plan	Local Choice
LU-9	Revise symbology of Figure 1 Land Use Map to optimize the map for web viewing	Local Choice
LU-10	Review Land Use Goals and Policies for consistency with planning actions taken since the previous update.	Local Choice
Housing Element		
Subtask Number	Task Description	Required or Local Choice
H-1	Develop a Housing Needs Assessment (HNA)	Required
H-2	Update Housing Element Section II to reflect the 2044 growth projections	Required
H-3	Adopt policies under Housing Element Goal 3 articulating the existing affordable housing program(s) in the City.	Required
H-4	Add policy under Housing Element Goal 1 explaining that manufactured housing is not regulated differently than site-built housing	Required
H-5	Review Housing policies for potential changes needed based on the HNA results	Required
H-6	Ensure Housing Element is consistent with SHB 1220	Required



**Transportation Element**

Subtask Number	Task Description	Required or Local Choice
T-1	Ensure that the 10-year traffic forecast is consistent with growth projections	Required
T-2	Update Transportation Element Section V to ensure future funding capability will be consistent with current conditions and growth projections	Required
T-3	Ensure that the multiyear transportation financing plan is consistent with updated growth projections	Required
T-4	Update the transportation inventory	Required
T-5	Add policy under Transportation Element Goal 12 to adopt the Pedestrian and Bicycle Facilities Plan by reference	Local Choice
T-6	Add policy under Transportation Element Goal 12 that establishes a timeline for reviewing the Pedestrian and Bicycle Facilities Plan	Local Choice
T-7	Amend Town Center intersections list in Transportation Element Section III Table 1	Local Choice
T-8	Adopt the streetscape manual by reference	Local Choice

**Utilities Element**

Subtask Number	Task Description	Required or Local Choice
U-1	Ensure that utility capacity is consistent with growth projections	Required

**Capital Facilities Element**

Subtask Number	Task Description	Required or Local Choice
CF-1	Update the Capital Facilities Inventory	Required
CF-2	Ensure that capital facilities inventory, LOS, and projection of future needs are consistent with adopted growth projections	Required
CF-3	Add impact fee policies describing what impact fees pay for	Required

**Economic Development Element**

Subtask Number	Task Description	Required or Local Choice
EDE-1	Conduct an Economic Analysis	Local Choice
EDE-2	Develop an Economic Development Element	Local Choice
EDE-2	Ensure the Economic Development Element is consistent with projected growth	Required

**Parks, Recreation, and Open Space Element**

Subtask Number	Task Description	Required or Local Choice
PRO-1	Adopt a Parks, Recreation, and Open Space Element that adopts the Parks, Recreation, and Open Space Plan by reference	Required

2044 Comprehensive Plan Update

# Public Participation Plan

City of Mercer Island, WA



Department of Community Planning and Development  
Second Draft: March 9, 2022

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## 1 Public Participation Plan

2 The Growth Management Act (GMA) requires the City to update its Comprehensive Plan on or before June  
3 30, 2024 (RCW 36.70A.130(5)(a)). This update will extend the Comprehensive Plan planning horizon to  
4 the year 2044. The 2044 Comprehensive Plan Periodic Review and Update (Comprehensive Plan update)  
5 will satisfy this requirement. Public participation is a vital aspect of the Comprehensive Plan update  
6 process. Public participation improves the planning process by gathering the shared knowledge and  
7 experience of the community and fostering public confidence in the proposed Comprehensive Plan  
8 amendments. This document details the goals, tasks, phases, and schedule for public participation during  
9 the Comprehensive Plan update.

10  
11 The Comprehensive Plan update will primarily be a targeted “surgical” update. The focus of the majority  
12 of the work will be technical updates to the growth projections and associated infrastructure needs  
13 detailed in the Comprehensive Plan. As such, most of the work in the Comprehensive Plan update will  
14 not require extensive public outreach. There are two aspects of the Comprehensive Plan update that will  
15 have a broader scope than the technical updates, creating more opportunities for public participation.  
16 These two aspects are adopting an Economic Development Element and updating housing goals and  
17 policies to respond to the findings in the Housing Needs Assessment. These two components of the  
18 Comprehensive Plan update will require more goal and policy work than the remainder of the project.

19  
20 The drafting and adoption of an Economic Development Element will include extensive opportunities for  
21 the public to provide input. The Economic Development Element goals and policies will define how the  
22 City chooses to grow its economy. This will require additional public outreach to ensure that the Economic  
23 Development Element aligns with the public’s vision for economic development through the planning  
24 horizon. The public participation plan for the Economic Development Element reflects the broader nature  
25 of this part of the project.

26  
27 The City will prepare a *Housing Needs Assessment* as part of updating the growth projections in the  
28 Comprehensive Plan. The *Housing Needs Assessment* is a technical document that defines housing need  
29 based on the projected growth. Policy responses during the Comprehensive Plan update may be required  
30 to address housing needs. If policy amendments are needed to address the findings in the *Housing Needs  
31 Assessment*, those amendments would require a broader public participation. As such, the public  
32 participation planned for the Housing Element update allows additional room for community input.  
33 Updates to Housing Element goals and policies will give stakeholders several opportunities to provide  
34 input during the Comprehensive Plan update.

### 35 36 **Roles**

37 The Comprehensive Plan update will engage various groups. These groups have unique roles in the  
38 process, summarized below.

#### 39 40 City Council

41 The Mercer Island City Council are the elected officials endowed with the legislative authority to adopt  
42 Comprehensive Plan amendments. The City Council also directs Planning Commission and staff work  
43 programs. The City Council will review the proposed Comprehensive Plan amendments throughout the  
44 Comprehensive Plan update. Ultimately, the City Council will adopt the Comprehensive Plan update after  
45 considering the Planning Commission, staff recommendations and public input.

46

1 Planning Commission

2 The Planning Commission is a volunteer advisory committee made up of island residents. The commission  
3 was established to review and make recommendations to the City Council on amendments to the  
4 Comprehensive Plan. They provide the City Council with the lay perspective on planning issues. The  
5 Planning Commission review of the Comprehensive Plan update will include the majority of the public  
6 participation, including a public hearing prior to making their recommendation to the City Council.  
7

8 Housing Work Group

9 A Housing Work Group will work on drafting updated Housing Element goals and policies. The Housing  
10 Work Group will be made up of two Planning Commission members and two City Council members. The  
11 Housing Work Group will meet with stakeholders and subject matter experts during the Comprehensive  
12 Plan update to get input on housing goal and policy amendments to address housing needs.  
13

14 Economic Development Work Group

15 An Economic Development Work Group (EDWG) will work on drafting new goals and policies for the  
16 Economic Development Element. The Economic Development Work Group will be composed of two  
17 Planning Commission members and two City Council members. The work group will meet with  
18 stakeholders and subject matter experts during the Comprehensive Plan update to refine the draft  
19 Economic Development Element.  
20

21 City Staff

22 City staff provides professional and technical recommendations to the Planning Commission and City  
23 Council. Staff will prepare drafts and make recommendations throughout the Comprehensive Plan  
24 update.  
25

26 Subject Matter Experts

27 Subject matter experts (SME) are professionals that work in a Comprehensive Plan related field (i.e.  
28 affordable housing nonprofit staff, King County Economic Development Council, etc.). SMEs can provide  
29 the City with their professional and technical expertise during the Comprehensive Plan update.  
30

31 Stakeholders

32 Stakeholders are groups and individuals that have an interest in the outcome of the Comprehensive Plan  
33 update. Stakeholders are diverse and can have numerous and conflicting concerns. The Comprehensive  
34 Plan update will benefit from engaging these groups and individuals to gather varied perspectives and  
35 build consensus on the proposed updates. Engaging stakeholders with diverse viewpoints will help the  
36 Planning Commission and City Council understand the plurality of public opinions on goals and policies in  
37 the Comprehensive Plan. Some of the Comprehensive Plan update stakeholders are listed below.  
38

- 39       ▪ Local business owners;
- 40       ▪ Housing providers;
- 41       ▪ Developers;
- 42       ▪ Builders and contractors;
- 43       ▪ Local and regional policy advocacy organizations; and
- 44       ▪ The general public.

1 **Public Participation Goals and Tasks**

2 Public participation is central to planning under GMA. Public participation is one of the statewide planning  
3 goals established in RCW 36.70A.020(11), which states:

4  
5 “Citizen participation and coordination. Encourage the involvement of citizens in the  
6 planning process and ensure coordination between communities and jurisdictions to  
7 reconcile conflicts.”

8  
9 In pursuit of this statewide planning goal, this public participation plan details the public participation  
10 goals and tasks the City will use throughout the Comprehensive Plan update.

11  
12 **Goal 1 – Inform the Public Throughout the Comprehensive Plan Update**

13 Keeping the public informed throughout the Comprehensive Plan update will help ensure stakeholders  
14 know what to comment on, when comments will be effective, and how to provide their perspective to  
15 decision makers.

16  
17 Tasks

- 18  
19 **1.1** Maintain a project webpage on the City website. The project webpage will list working drafts,  
20 project timeline, and public comments.
- 21 **1.2** Publish notice of special public meetings such as community workshops in *The Mercer Island*  
22 *Reporter* and on the City website.
- 23 **1.3** Maintain a mailing list of interested parties. Interested parties will be notified of public meetings.  
24

25 **Goal 2 – Gather Input on Economic Development Element Goals and Policies**

26 Drafting a new Economic Development Element will require extensive public input on proposed vision,  
27 goals, and policies. Stakeholders and subject matter experts (SME) should be engaged throughout the  
28 refinement of proposed Economic Development Element goals and policies.

29  
30 Tasks

- 31  
32 **2.1** City staff will conduct SME and key stakeholder interviews to establish a list of priority policy  
33 issues to address in the Economic Development Element. Key stakeholders are those with specific  
34 interest in economic development in the City. After the interviews, staff will prepare a list of  
35 important economic development issues to get more information on during the workshop and  
36 survey (Tasks 2.2 and 2.3).
- 37 **2.2** City staff will hold an Economic Development Vision Community Workshop to get public input on  
38 a vision for economic development and identify priority policy topics to be addressed in the  
39 Economic Development Element.
- 40 **2.3** City staff will conduct a survey to gather public input on the vision for economic development and  
41 identify priority policy topics to be addressed in the Economic Development Element.
- 42 **2.4** The Economic Development Work Group will meet with economic development SMEs to refine  
43 the preliminary draft of economic development goals and policies to address the priority policy

- 1 issues identified in tasks 2.1 through 2.3. This meeting will result in a first draft of the Economic
- 2 Development Element.
- 3 **2.5** The Economic Development Work Group will meet with a stakeholder panel to get input on and
- 4 refine the first draft of the Economic Development Element.
- 5 **2.6** The Planning Commission considers the Economic Development Work Group and stakeholder
- 6 input during its first touch of the Economic Development Element.
- 7 **2.7** The Planning Commission considers the Economic Development Work Group and stakeholder
- 8 input during its second touch of the Economic Development Element.
- 9 **2.8** The City will hold a community workshop to get feedback on and refine the third draft of the
- 10 Economic Development Element.
- 11 **2.9** The Planning Commission considers the public input from the community workshop during its
- 12 third touch of the Economic Development Element.
- 13

14 **Goal 3 – Gather Input on updates to the housing goals and policies**

15 Housing goals and policies might need to be updated after the City has prepared a *Housing Needs*

16 *Assessment* (HNA). Any necessary changes are expected to be minor refinements of the existing housing

17 policies to account for the findings in the HNA. Input from housing stakeholders and SMEs will be sought

18 to ensure that the goals and policies adequately address the findings in the HNA.

19

20 Tasks

- 21
- 22 **3.1** Housing Work Group prepares an initial list of housing policy responses based on the HNA
- 23 findings.
- 24 **3.2** The Housing Work Group will meet with SMEs to refine the initial list of policy responses to be
- 25 incorporated into the first draft of amendments to housing goals and policies.
- 26 **3.3** Planning Commission first two touches on the draft housing goal and policy amendments.
- 27 **3.4** Planning Commission third touch on the draft housing goal and policy amendments, resulting in
- 28 a public hearing draft.
- 29 **3.5** The Planning Commission will hold a public hearing on the Comprehensive Plan update (Task 4.2,
- 30 below), which will include the amendments to the Housing Element.
- 31

32 **Goal 4 – Gather Public Input on the Overall Comprehensive Plan Update**

33 Gathering public input on the overall Comprehensive Plan update will be vital to ensure the update

34 satisfies the statewide planning goal for public participation. This will increase community support for the

35 update.

36

37 Tasks

- 38
- 39 **4.1** Create a dedicated Comprehensive Plan update public comment email inbox.
- 40 **4.2** Planning Commission refines draft amendments and responds to public comments during public
- 41 meetings.

- 1 **4.3** Hold a community workshop on the Comprehensive Plan update after the Planning Commission
- 2 has prepared a pre-hearing draft of the overall Comprehensive Plan update. The community
- 3 workshop will precede a Planning Commission public hearing.
- 4 **4.4** The Planning Commission will hold a public hearing and deliberations before making a
- 5 recommendation to the City Council on the Comprehensive Plan update.
- 6 **4.5** The City Council will hold a public hearing and deliberations before adopting the Comprehensive
- 7 Plan update by ordinance.

## 8 Engagement Phases

9 Public participation for the Comprehensive Plan update will be divided into four distinct phases. Each  
10 phase will be composed of outreach tasks to achieve the public participation goals outlined above. The  
11 four phases are:

- 12
- 13 **Phase I – Ongoing Notices**
- 14 **Phase II – Identify Policy Responses**
- 15 **Phase III – Refine Drafts**
- 16 **Phase IV – Build Consensus**
- 17

### 18 **Phase I: Ongoing Notices**

19 The purpose of Phase I is to ensure that the public stays up to date on the Comprehensive Plan update  
20 project throughout its duration. By providing public notice throughout the Comprehensive Plan update,  
21 the City will keep the public informed of the status of the project and how to provide comments. Phase I  
22 will take place through the duration of the Comprehensive Plan update. The tasks undertaken during  
23 Phase I are related to public participation goals 1 and 4.

### 25 **Phase II: Identify Policy Responses**

26 The purpose of Phase II is to engage the general public, stakeholders, and SMEs to set the agenda for  
27 making goal and policy updates. The focus of this phase will be amendments to the Housing Element and  
28 drafting the new Economic Development Element. Phase II will take place early in the drafting process  
29 for these two elements. The input gathered in this phase will highlight priority goal and policy  
30 amendments needed to address the housing and economic development issues the community is  
31 concerned about. The tasks undertaken during Phase II are related to public participation goals 2 and 3.

### 33 **Phase III: Refine Drafts**

34 The purpose of Phase III is to gather input on the draft Comprehensive Plan Elements in advance of public  
35 hearings. Phase III will center on engaging the broader public and gathering input on proposed goal and  
36 policy updates. Refining drafts will take place through the middle of the Comprehensive Plan update  
37 process, in advance of the Planning Commission and City Council public hearings. The tasks undertaken  
38 during Phase III are related to public participation goals 2, 3, and 4.

### 40 **Phase IV: Build Consensus**

41 The purpose of Phase IV is to build public buy in on the drafts refined during Phase III by engaging the  
42 public in the fine-tuning of the Comprehensive Plan update in advance of its adoption. Phase IV will take  
43 place during the last stages of the Comprehensive Plan update. The tasks undertaken during Phase IV are  
44 related to public participation goals 2, 3, and 4.

46 Table 1 lists the four public participation phases, information flow, and public participation tasks  
47 undertaken during each phase.



1 **Table 1. Public Participation Phases, Information Flow, and Tasks.**

Phase	Information Flow	Public Participation Tasks
Phase I Ongoing Notices	City ↓ Public	1.1 Maintain a project webpage on the City website. The project webpage will list working drafts, project timeline, and public comments.
		1.2 Publish notice of special public meetings in The Mercer Island Reporter and on the City website.
		1.3 Maintain a mailing list interested parties. Interested parties will be notified of public meetings.
		4.1 Create a dedicated Comprehensive Plan update public comment email inbox.
Phase II Identify Policy Responses	General Public, Stakeholders and SMEs ↓ City	2.1 Economic development SME and key stakeholder interviews to identify policy priorities.
		2.2 Economic Development Vision Community Workshop.
		2.3 Economic Development Vision Survey.
		2.4 Economic Development Work Group meeting with stakeholders and SMEs.
		3.1 Housing Work Group prepares initial list of housing policy responses.
		3.2 Housing Work Group meeting with SMEs to refine a draft of housing goal and policy amendments.
Phase III Refine Drafts	General Public, Stakeholders, and SMEs ↓ City	2.5 Economic Development Work Group meeting with stakeholders to refine the draft Economic Development Element.
		2.6 Planning Commission first touch on the draft Economic Development Element
		2.7 Planning Commission second touch on the draft Economic Development Element
		2.8 Economic Development Element community workshop
		2.9 Planning Commission third touch on the draft Economic Development Element
		3.3 Planning Commission first and second touch on draft housing goal and policy amendments.
		3.4 Planning Commission third touch on draft housing goal and policy amendments.
		4.2 Planning Commission refines draft Comprehensive Plan amendments and responds to public comments.
		4.3 Hold a community workshop on the Comprehensive Plan update.
Phase IV Build Consensus	General Public ↻ City	3.5 Planning Commission public hearing on the Comprehensive Plan update (Task 4.4, below), which will include the amendments to the Housing Element.
		4.4 Planning Commission will hold a public hearing before making a recommendation to the City Council on the Comprehensive Plan update.
		4.5 City Council public hearing before adopting the Comprehensive Plan update.

2  
3

Public Participation Schedule

Table 2. Public Participation Schedule.

Phase	Public Participation Task	2022												2023												2024						
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
I	1.1 Project website	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	1.2 Publish notices	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	1.3 Maintain mailing list	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	4.1 Dedicated public comment email	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
II	2.1 Staff interviews Economic Development SMEs and stakeholders	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	2.2 Economic Development Vision Community Workshop	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	2.3 Economic Development Vision Survey	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	2.4 Economic Development Work Group meeting with stakeholders and SMEs	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	3.1 Housing Work Group prepares initial list of housing policy responses	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	3.2 Housing Work Group meeting with SMEs to refine a draft of housing goal and policy amendments	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
III	2.5 Economic Development Work Group meeting with stakeholders to refine the draft Economic Development Element	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	3.3 Planning Commission first and second touch on draft housing goal and policy amendments	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	3.4 Planning Commission third touch on draft housing goal and policy amendments	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	2.6 Planning Commission first touch on the draft Economic Development Element	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	2.7 Planning Commission second touch on the draft Economic Development Element	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	2.8 Economic Development Element community workshop	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	2.9 Planning Commission third touch on the draft Economic Development Element	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	4.2 Planning Commission refines draft amendments and responds to public comments	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	4.3 Hold a community workshop on the Comprehensive Plan update	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
IV	3.5 & 4.4 Planning Commission Comprehensive Plan update public hearing, deliberations, and recommendation	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
	4.5 City Council Comprehensive Plan update public hearings, deliberations, and adoption	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J

# Mercer Island Comprehensive Plan Housing Work Group Charter

Approved: March 15, 2022

## **MISSION**

The Comprehensive Plan Housing Work Group is appointed to advise the Planning Commission and City Council on amendments to the Housing Element of the Comprehensive Plan. The Housing Work Group will review data, public input, and develop draft amendments to the Housing Element in support of the periodic review of the Comprehensive Plan.

## **ARTICLE I GENERAL PROVISIONS**

Section 1.1 Relationship to Other Regulations. This charter is supplementary to Title 3 Mercer Island City Code ("MICC") and applicable WA State laws codified in the Revised Code of Washington ("RCW").

Section 1.2 Responsibilities of Housing Work Group. The members of the Comprehensive Plan Housing Work Group accept the responsibility of the office and declare their intention to execute the duties defined under state law, city code, and this charter to the best of their ability and to respect and observe the requirements established by the City Council.

Section 1.3 Term. The Housing Work Group term shall terminate on June 20, 2024, or immediately after an initial draft of proposed amendments to Comprehensive Plan housing goals and policies is provided to the Planning Commission, whichever comes first; unless the City Council extends it.

## **ARTICLE II DUTIES OF HOUSING WORK GROUP, MEMBERS, AND CHAIR**

Section 2.1 Duties and Responsibilities of Housing Work Group. The Housing Work Group shall undertake the duties and responsibilities defined in this charter. The duties of the Housing Work Group shall be limited to those enumerated below:

1. Review findings of the Mercer Island Housing Needs Assessment as well as direction and guidance from the State Department of Commerce, Puget Sound Regional Council and the King County Countywide Planning Policies related to planning for housing supply and affordability.
2. Receive input from stakeholders on possible housing goal and policy amendments;
3. Prepare an initial draft of amendments to the Comprehensive Plan housing goals and policies; and

4. Provide additional commentary on housing issues to the Planning Commission and City Council.

Section 2.2 Members. The Housing Work Group shall consist of 4 members: 2 selected from among the members of the City Council and 2 selected from among the members of the Planning Commission. Each body shall determine their method for selecting members to serve on the Housing Work Group. Membership on the Housing Work Group shall be limited to existing members of each body. The term of each member will expire on June 30, 2024, unless extended by the City Council. Vacancies occurring other than through the expiration of terms shall be filled by a member of the same body the vacated seat was selected from.

Section 2.3 Chair and Duties. The Housing Work Group shall select a Chair to serve for the term of the Housing Work Group, who will be responsible for the following duties:

1. Run / Facilitate Housing Work Group meetings in a fair, efficient, productive, and informative manner;
2. Act as a spokesperson to City Council, Planning Commission, and when necessary, to the public and/or media; and
3. Work with Community Planning and Development staff on schedule / calendar and meeting agendas.

### ARTICLE III MEETINGS

Section 3.1 Regular Meetings. A regular meeting schedule shall be established by the members of the Housing Work Group. Any regular meeting may be canceled or re-scheduled by the Chair or the Community Planning and Development Director

Section 3.2 Special Meetings. Special meetings of the Housing Work Group may be called by any of the following: the Chair, the City Manager, Community Planning and Development Director, or the Mayor.

Section 3.3 Attendance. Attendance at regular and special meetings is expected of all Housing Work Group members. Any member anticipating absence from a meeting should notify the Chair and staff liaison from the Community Planning and Development department.

Section 3.4 Decisions. Decisions will be made by consensus or by a majority vote of the members in attendance at a meeting.

Section 3.5 Open to the Public. The Economic Development Work Group is subject to the Open Public Meetings Act (OPMA). All regular and special meetings of the Housing Work Group are open to the public, and notice of meetings shall be given pursuant

to the OPMA. The scheduling and holding of all Housing Work Group meetings are to be done in accordance with this charter and Washington state law.

#### **ARTICLE IV CONDUCT OF MEETINGS**

- Section 4.1 Conduct. All meetings of the Housing Work Group shall be conducted in accordance with this charter and Washington state law. Where this charter fails to provide otherwise, the meetings shall be conducted in accordance with parliamentary rules and procedures in the most current edition of the Robert's Rules of Order.
- Section 4.2 Chair. The Chair shall preside at all Housing Work Group meetings and has the powers generally assigned such office in conducting the meetings. It shall be the Chair's duty to see that the transaction of Housing Work Group business is in accord with this charter and Washington state law. The Chair of the meeting shall be a full voting member but shall not initiate or second a motion.
- Section 4.3 Agenda Setting. An agenda for every regular meeting shall be prepared and distributed by the Community Planning and Development department to each member not less than 5 calendar days prior to the date of the meeting at which such agenda is to be considered. The agenda shall be accompanied with a complete copy of the unapproved minutes of the previous meeting, staff reports, and other materials as may pertain to the agenda.
- Section 4.4 Agenda Modification. All meetings shall be conducted in accordance with the agenda. To the extent it does not violate public notice requirements, the printed agenda of a regular meeting may be modified, supplemented, or revised at the beginning of the meeting by the affirmative vote of the majority of Housing Work Group members present.
- Section 4.5 Minutes. A staff liaison shall be provided by the Community Planning and Development department to prepare minutes of meetings and keep such record, attend to correspondence of the Housing Work Group, and perform such other duties as may be deemed necessary. Minutes of all regular meetings shall be kept and made part of a permanent public record. All actions of the Housing Work Group shall be considered conclusive as to general import as of the date of such action. Details of phraseology, conditions, etc., shall be subject to correction at the time of consideration and approval of the meeting minutes.

## ARTICLE V PUBLIC INVOLVEMENT

- Section 5.1. Purpose. High quality public input is desired by the Housing Work Group and is needed to help inform the Housing Work Group's analysis, recommendations, and commentary. The Housing Work Group goals for public involvement are to:
1. Undertake a fair, meaningful, and effective outreach to stakeholders, with opportunities for interested parties to participate in a comfortable setting.
  2. Use a consistent and adaptable process that allocates limited time efficiently and encourages input that is relevant, clear, and specific.
- Section 5.2 Time Limits. Time limits on public input can be established to allow for the efficient use of the Housing Work Group's time. The Housing Work Group shall have the discretion to determine speaking times as needed.
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- Section 5.4 Alternative Communication. To communicate with the Housing Work Group on a matter not scheduled for discussion, the public may communicate with the Housing Work Group in writing and/or speak during an optional portion of each meeting entitled "Appearances" near the beginning of the agenda. The Housing Work Group shall have the discretion to omit "Appearances" from the agenda. The Chair of the meeting shall endeavor to minimize the amount of cumulative redundant testimony by the public.

## ARTICLE VI CONFLICT OF INTEREST, EX-PARTE CONTACT, AND APPEARANCE OF FAIRNESS DOCTRINE

- Section 6.1 Conflict of Interest. Chapter 42.23 RCW prohibits members from using their positions to secure special privileges or special exemptions for themselves or others. If an actual or perceived conflict of interest exists that affects the work of the Housing Work Group, it is the responsibility of each member to refrain from any prior discussion of such matter with other members of the Housing Work Group, to openly describe the issue, and then recuse him/herself from the meeting during the period of discussion and action thereon.

## ARTICLE VII DISPOSITION OF DUTIES

- Section 7.1 Review Data and Guidance. Review findings of the Mercer Island Housing Needs Assessment as well as direction and guidance from the State Department of Mercer Island Planning Housing Work Group Charter (adopted: March 15, 2022)

Commerce, Puget Sound Regional Council and the King County Countywide Planning Policies related to planning for housing supply and affordability.

- Section 7.2 Stakeholder Input. The Housing Work Group shall receive input on housing goals and policies from stakeholders during regular meetings. This input can be summarized by the Housing Work Group when providing commentary on the initial draft of amendments to Comprehensive Plan housing goals and policies.
- Section 7.3 Preparing an Initial Draft of Proposed Amendments to Comprehensive Plan housing goals and policies. The principal output of the Housing Work Group shall be an initial draft of amendments to Comprehensive Plan housing goals and policies. A majority of the Housing Work Group (3 members) must approve the initial draft of proposed amendments. The Chair will forward this initial draft to the Mercer Island Planning Commission. A selected member of the Housing Work Group will present the initial draft to the Planning Commission at a regular meeting of that body.
- Section 7.5 Additional Commentary. The Housing Work Group may include additional commentary with the initial draft of proposed amendments to Comprehensive Plan housing goals and policies. The additional commentary must be approved by a majority of the Housing Work Group. The additional commentary can include facts and rationale behind proposed amendments, housing issues in need of further discussion, and/or identify possible implementation actions to be considered following the Comprehensive Plan periodic review.
- Section 7.5 The City Council may request that the Housing Work Group reconvene to provide additional commentary or recommendations based on direction received from the Department of Commerce and/or King County related to “targets” for provision of housing of certain types or for certain segments of the population.

**Mercer Island Comprehensive Plan Economic  
Development Work Group Charter**  
Adopted: March 15, 2022

**MISSION**

The Comprehensive Plan Economic Development Work Group is appointed to advise the Planning Commission and City Council on the drafting of an Economic Development Element of the Comprehensive Plan. The Economic Development Work Group will review data, public input, and develop a draft Economic Development Element in support of the periodic review of the Comprehensive Plan.

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1. Review findings of the Mercer Island Housing Needs Assessment as well as direction and guidance from the State Department of Commerce, Puget Sound Regional Council and the King County Countywide Planning Policies related to planning for housing supply and affordability.
2. Receive input from stakeholders on possible economic development goals and policies;



3. Prepare an initial draft of an Economic Development Element of the Comprehensive Plan; and
4. Provide additional commentary on economic development issues to the Planning Commission and City Council.

Section 2.2 **Members.** The Economic Development Work Group shall consist of 4 members: 2 selected from among the members of the City Council and 2 selected from among the members of the Planning Commission. Each body shall determine their method for selecting members to serve on the Economic Development Work Group. Membership on the Economic Development Work Group shall be limited to existing members of each body. The term of each member will expire on June 30, 2024, unless extended by the City Council. Vacancies occurring other than through the expiration of terms shall be filled by a member of the same body the vacated seat was selected from.

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Mercer Island Planning Economic Development Work Group Charter (adopted: March 15, 2022)

Page 2 of 5

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recuse him/herself from the meeting during the period of discussion and action thereon.

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- Section 7.1 Review Data and Guidance. Review findings of the Mercer Island Economic Analysis as well as direction and guidance from the State Department of Commerce, Puget Sound Regional Council and the King County Countywide Planning Policies related to planning for housing supply and affordability.
- Section 7.2 Stakeholder Input. The Economic Development Work Group shall receive input on the draft Economic Development Element of the Comprehensive Plan from stakeholders during regular meetings. This input can be summarized by the Economic Development Work Group when providing commentary on the initial draft of an Economic Development Element of the Comprehensive Plan.
- Section 7.3 Preparing an Initial Draft of an Economic Development Element of the Comprehensive Plan. The principal output of the Economic Development Work Group shall be an initial draft of an Economic Development Element of the Comprehensive Plan. A majority of the Economic Development Work Group (3 members) must approve the initial draft Economic Development Element of the Comprehensive Plan. The Chair will forward this initial draft to the Mercer Island Planning Commission. A selected member of the Economic Development Work Group will present the initial draft to the Planning Commission at a regular meeting of that body.
- Section 7.5 Additional Commentary. The Economic Development Work Group may include additional commentary with the initial draft of an Economic Development Element of the Comprehensive Plan. The additional commentary must be approved by a majority of the Economic Development Work Group. The additional commentary can include facts and rationale behind proposed amendments, economic development issues in need of further discussion, and/or identify possible implementation actions to be considered following the Comprehensive Plan periodic review.
- Section 7.5 The City Council may request that the Economic Development Work Group reconvene to provide additional commentary or recommendations on matters pertaining to economic development.

**Table 1. Proposed Amendments to Scope, Master Schedule, and/or Public Participation Plan for Periodic Update to the Comprehensive Plan**

Submitted By	Reference #	Comment/Question	Staff Response
<p>Councilmember Lisa Anderl</p> <p><a href="#">Link to Original Comment</a></p>	<p>1</p>	<p><b>Create a parks zone:</b></p> <ul style="list-style-type: none"> <li>• Add a Land Use Element task to Table 2 for the creation of new goal and policies to create a parks zone in the Comprehensive Plan, and</li> <li>• Create new development code regulations for a parks zone in Title 19 Mercer Island City Code (MICC).</li> </ul>	<p>Creation of a parks zone will entail both changes to the Comprehensive Plan and Title 19 MICC. These two aspects can be partially split to reduce the likelihood of delaying the Comprehensive Plan update adoption while allowing enough time for the requisite process of developing a new zone. If the City Council wants to add creation of a parks zone to the scope of work, staff recommends a two staged approach to avoid delaying adoption of the Comprehensive Plan update.</p> <p><b>Stage 1 – Policy Directive:</b> Add a Goal and Policy During the Comprehensive Plan Update that establishes a policy directive to create a parks zone. The added goal and policy will give general guidance to create a new zone and reserve the drafting of specific policy language for the implementation of the Comprehensive Plan update. This will enshrine the Council direction to create a new zone in the Comprehensive Plan but leave the more in-depth policy work and drafting regulations to the implementation period following the GMA mandated update.</p> <p><b>Stage 2 – Implementation:</b> As part of implementing the Comprehensive Plan update after it is adopted, the City can undertake the process of developing a new parks zone. This will include drafting more specific policy language and new development code, both of which require additional public participation. This will allow the City to take the time and necessary procedure to draft the full suite of goals, policies, and regulations outside of the strict periodic review timeline required by State Law. Stage 2 can be added to the CPD work plan to immediately follow the Comprehensive Plan update.</p> <p>Splitting this project into two stages (policy directive and implementation) will avoid delaying the required periodic review and allow enough time for the process of creating a new zone and corresponding regulations. If this is the approach preferred by the Council, only Stage 1 would need to be added to the Scope of Work. This would be added as a new land use element-specific task in Table 2.</p> <p>Planning on developing a new parks zone as part of the implementation of the Comprehensive Plan update would require the commitment of resources in a future budget cycle. This would include staff time and possibly hiring a consultant. The Council is not required to commit resources now, but if added to the scope, this item would create a policy directive for the commitment of resources the Council would have to consider following the Comprehensive Plan update adoption.</p> <p><b>The text to be added to the Scope of Work, Table 2 could read:</b></p> <p style="text-align: center;"><b>“Add a goal and policy regarding the creation of a parks zone to the Land Use Element.”</b></p>

Submitted By	Reference #	Comment/Question	Staff Response
Planning Commissioner Michael Murphy  <a href="#">Link to Original Comment</a>	2	<b>General Scoping Considerations</b>  a. General review of existing Comp Plan for relevancy to current reality and future impacts from climate change and the socio-economic regional pressures creating broad housing insecurity.  b. Make the Comp Plan a true high level governing document rather than a check box to meet State Requirements filled with general feel good statements. Make it something that is actually adhered to when considering revisions of the MICC so that those revisions have a consistency throughout City policies.	No specific amendments to the scope of work, master schedule, or public participation plan are proposed in item 2.
	3	<b>New Element: Emergency preparedness, resilience and recovery given the impacts of climate change.</b>  a. Water system b. Sewer system c. Communications: internal and external d. Wildfire suppression e. Power: interim emergency/restoration.	The proposed element is not required by GMA; adding it would be a local choice. Adding a new element to the Comprehensive Plan is a substantial project that would probably delay the adoption of the update by approximately 4 to 6 months. Including the proposed new element would delay the adoption of the Comprehensive Plan update past the June 30, 2024 deadline.  The scope of work proposes adoption of the forthcoming Climate Action Plan by reference (see Scope of Work, Table 2, Element Specific Subtask LU-7). Adding another element directed at climate change as proposed in item 3 could be unnecessary because the issues raised in the comment will likely be addressed in the Climate Action Plan.
	4	<b>Critical Areas Refinement</b>  a. Review regulations for watercourses. b. Review stormwater needs in relation to regulations.	Opening the critical areas regulations during the periodic review is not required by GMA; adding this to the scope would be a local choice. This would be a substantial project that would probably delay the adoption of the update by at least 6 to 10 months. Including the proposed work on critical areas regulations would delay the adoption of the Comprehensive Plan update past the June 30, 2024 deadline.  If the Council would like to reexamine the critical areas regulations, this should be added to a future CPD work program through the annual docket process. This would allow the City Council to consider the project on its own, without being subject to the periodic review deadline.
	5	<b>Town Center and (New) Economic Development Element:</b>  The Town Center Goals and Policies update for proposed code changes aimed at preserving and promoting commercial businesses should be integrated with the new economic development element. These subjects are closely related and should be addressed together, along with parking.	No action is needed. This comment can be taken into consideration during work on the Economic Development Element.

Submitted By	Reference #	Comment/Question	Staff Response
Planning Commissioner Michael Murphy (continued)	6	<p><b>Housing Element</b></p> <p>a. Establish an ability to create additional dispersed density without undermining quality of neighborhoods. While this will not create housing for homeless or low-income people, it will increase the overall inventory of housing, and likely create some more “affordable” (by MI standards) housing.</p> <p>b. Ensure MI is permanently committed to providing true support to ARCH for off island development of low income housing – taking on our fair share of the responsibility.</p> <p>c. The existing Comp Plan pays lip service to providing a range of housing options, but has no specific policies or code provisions that promote housing that would actually help accommodate older and/or disabled citizens. I recommend that the City more clearly articulate that it is the City’s policy to make it easier to develop and build housing that would accommodate older and/or disabled citizens, and that the City evaluate its Code to identify roadblocks to such development and create options that remove those road blocks. For example, lot coverage/impervious surface limits on smaller lots make it harder to design and construct 1 story homes suitable for disabled or persons over 65 who seek to age in place.</p>	<p>No action is needed. This comment can be taken into consideration during work on the housing goals and policies.</p>
	7	<p><b>Transportation Element</b></p> <p>Consider inverting the priorities so that the more vulnerable are prioritized over convenience for automobiles.</p> <p>a. Promote significant improvements for active transportation: bicycle infrastructure, sidewalks, and other pedestrian amenities.</p> <p>b. Consider reducing speed limits on the Mercers by 5mph to make inevitable collisions between automobiles and pedestrians or bikes less deadly.</p>	<p>A Transportation Element specific subtask to add a policy promoting significant improvement for active transportation can be inserted into the Scope of Work, Table 2. This would not substantially alter the duration of the project or affect the adoption target. This policy could be added under <a href="#">Transportation Element Goal 4</a>.</p> <p><b>The text to be added to the Scope of Work, Table 2 could read:</b></p> <p style="text-align: center;"><b>“Add a policy of promoting significant improvements for active transportation to the Transportation Element under Goal 4.”</b></p> <p>The element-specific task above would address item 7 item a.</p> <p>The process of setting speed limits is independent from the Comprehensive Plan periodic review process. The Council can consider amending the speed limits on roads through the regular speed limit setting process rather than through the Comprehensive Plan update.</p>

Submitted By	Reference #	Comment/Question	Staff Response
Planning Commissioner Carolyn Boatsman  <a href="#">Link to Original Comment</a>	8	Update the Introduction to the Plan and the Introductions to the Land Use, Housing, and Transportation Elements.	No further action is required, the periodic review will include updates to the introduction text for the elements.  The Comprehensive Plan Introduction and introductory text in the elements describe the issues that the Comprehensive Plan and Elements seek to address. Staff expects to make minor ‘housekeeping’ edits to the element introductions during the Comprehensive Plan update. Adding this to the scope of work is not likely affect the expected adoption date of the project.
	9	A discussion of plans adopted by reference should be included in the Comp Plan Introduction, clarifying the above topics [see <a href="#">full comment</a> ], as well as appropriate explanation regarding individual plans adopted by reference at relevant points in the Elements. Explain the purpose of the adopted plan, the relationship of the Comp Plan to plans adopted by reference, noting the relative authority of each, the lead commission or board on updates, and the frequency of update. This is currently needed, at least, for the Bike/Ped Plan and the Comprehensive Arts and Culture Plan (in Land Use Goals 23 and 24).	No further action is needed. If the relationship between the Comprehensive Plan and plans adopted by reference needs further clarification, that clarification can be made in the plan document. For example, if the relationship between the Climate Action Plan and the Comprehensive Plan is unclear, the Climate Action Plan should clarify how that plan relates to the overall Comprehensive Plan.  The Comprehensive Plan can include policies that establish a review timeline for plans adopted by reference. An element-specific task for establishing a review timeline for the Bike and Pedestrian Plan is already included in the scope (see Table 2, subtask T-6). A similar task could be added for the Comprehensive Arts and Culture Plan if the Council would like to establish a regular timeline for review and update of that plan. Establishing a regular timeline for review and update of the Arts and Culture Plan may not be necessary because this plan describes general strategies for supporting the arts rather than specific project-level actions like those described in the Bike and Pedestrian Plan. Because the Arts and Culture Plan establishes a general approach to supporting the arts in the City, it is less likely to regularly become out of date. Setting an update schedule in the Comprehensive Plan establishes a requirement that the City review a plan in a given timeframe, regardless of whether it is out of date. Because the Arts and Culture Plan is less likely to become out of date on a regular schedule, the Council might want to reserve the option to take on updating this plan as needed rather than on a set schedule.
	10	Add appropriate headings to the Land Use Policies, Natural Environment (Goal 18) and Parks and Open Space Policies (Goals 19 and 20) in the Land Use Element. Reconcile Goal 20 with PROS.	Goal and Policy section headings can be revised during the periodic review without affecting the overall project timeline. This is a minor addition to the scope.  <b>The following element-specific task can be added to the Scope of Work, Table 2 for the Land Use Element:</b>  “Revise Goal and Policy section headings as needed to account for changes since the last Comprehensive Plan update.”
	11	Change the heading for Goals 26 through 29 in Land Use Policies from STAR to Climate Change.	Adding a task as described in the response to item 10 above will address this issue.
	12	Delete the last paragraph in Climate Change in the Introduction to the Land Use Element.	The last paragraph in the climate change section of the Land Use Element introduction refers to the now defunct “STAR” community framework system. Striking this paragraph will not significantly expand the scope of the project.  <b>The following element-specific task can be added to the Scope of Work, Table 2 for the Land Use Element:</b>  “Revise references to the STAR community framework system as needed to reflect that STAR no longer exists.”



Submitted By	Reference #	Comment/Question	Staff Response
Planning Commissioner Carolyn Boatsman (continued)	13	Delete Goal 26 in the Land Use Element.	Land Use Element Goal 26 and its associated policies refer to sustainability and the STAR community framework system. Adding a task as described in the response to Comment 12 above will address this issue without removing the other policies under Goal 26.
	14	Adopt the Climate Action Plan in reference to climate policies 1.20 through 1.23 in the Capital Facilities Element.	No further action regarding this issue is needed.  The Climate Action Plan will be adopted by reference in the Land Use Element (element-specific task LU-7). A second policy adopting this plan by reference is unnecessary. The ways the Climate Action Plan relates to the Capital Facilities Element should be considered in the draft of that plan. If the Climate Action Plan and Capital Facilities Element need to be reconciled, that should be considered before the Climate Action Plan is adopted. In this way, consistency between the Climate Action Plan and Comprehensive Plan can be ensured.
	15	Add the heading “Historical Preservation” to Goal 25 in the Land Use Policies.	Adding a task as described in the response to Comment 10 above will address this issue.
	16	Evaluate Goal 30 in the Land Use Policies for relevance.	No further action regarding this issue is needed.  Goal 30 establishes a link between the Land Use Element and capital improvement projects. This goal and its associated policies are expected to be reviewed under the existing element-specific task LU-10, which states:  “Review Land Use Goals and Policies for consistency with planning actions taken since the previous update.”
	17	Update Land Use Issues in the Land Use Element, as needed.	The land use issue list is in <a href="#">Section IV of the Land Use Element</a> . This section is an optional component of the Land Use Element. An issue statement details the problems the goals and policies seek to address. As it exists in the Comprehensive Plan, the issue list only highlights some of the issues and other issues on the list may not be as important now.  Updating the issue list should consider public feedback and could be part of a larger agenda setting process in a broader Comprehensive Plan update. If this item were added to the scope, dedicated Planning Commission and City Council meetings would need to be added to the master schedule. This would give the Council and Planning Commission the opportunity to consider the contents of the list. Adding these meetings would likely extend the project timeline by 2 to 3 months.  If the Council would like to update the issue list, the following element-specific task can be added to the Scope of Work, Table 2 for the Land Use Element:  “Revise the land use issue list in Section IV.”  <b>No further action is recommended.</b> Updating the issue list is not required and would likely delay the adoption of the periodic review.
18	Edit shaded boxes in Introduction, Vision Statement: How the Values are Manifested.	The shaded boxes can be considered during the regular ‘housekeeping’ edits planned for the introduction. See response to Comment 8 above.	

Submitted By	Reference #	Comment/Question	Staff Response
Planning Commissioner Tiffin Goodman  <a href="#">Link to Original Comment</a>	<b>19</b>	Update the Bike and Pedestrian [Facilities] Plan during the Comprehensive Plan update.	<p>Updating the Bike and Pedestrian Facilities Plan is a major project. Updating this plan is not required during the periodic review. Given that this plan will impact capital budget decisions and infrastructure planning, additional public outreach is needed to ensure this plan meets the needs of the community. This project would probably delay the adoption of the Comprehensive Plan update by roughly 6 to 12 months. Adding an update of the Bike and Pedestrian Facilities Plan to the periodic review would delay adoption past the GMA required deadline.</p> <p>The scope of work includes a subtask to adopt a policy that establishes a review timeline for the Bike and Pedestrian Facilities Plan, rather than update this plan during the periodic review (see Table 2, Subtask T-6). This would allow a specific scope of work and public participation plan to be developed for updating the Bike and Pedestrian Facilities Plan following the Comprehensive Plan periodic review.</p> <p><b>No further action is recommended.</b> Updating the Bike and Pedestrian Facilities Plan during the periodic review would delay adoption of the Comprehensive Plan update beyond the required deadline. The scope of work already includes adopting a policy to establish a timeline for updating this plan following the periodic review.</p> <p>If the Council would like to update the Bike and Pedestrian Facilities Plan, the following element-specific task can be added to the Scope of Work, Table 2 for the Transportation Element:</p> <p style="text-align: center;">“Revise the Bike and Pedestrian Facilities Plan during the periodic review.”</p>
	<b>20</b>	Delay adoption of the Scope of Work, Schedule, and Public Participation Plan until the City can undertake a broad public participation effort to get feedback on the scope of work.	<p>Delaying the adoption of the Scope of Work, Schedule, and Public Participation Plan to gather broader public feedback would push back the adoption target. This would delay adoption of the periodic review past the GMA required deadline.</p> <p>If the Council would like to delay adoption of the Scope of Work, Schedule, and Public Participation Plan to gather broader public feedback, staff would need to provide significant amendments to all three documents to reflect such a decision.</p>

Submitted By	Reference #	Comment/Question	Staff Response
Planning Commissioner Kate Akyuz*  <a href="#">Link to Original Comment</a>	21	<b>Housing Needs Assessment</b>  p.5, Task 4, lines 21-23  The HNA is a document detailing the expected housing needs in the City throughout the planning period based on <a href="#">trends in housing affordability, information on demographic equity in housing opportunity</a> , and the forecasted growth, existing housing stock, and land use assumptions in the Plan.	The suggested revision does not substantively alter the Scope of Work. Rather, it clarifies the basis and intent of the Housing Needs Assessment. If the Council supports this revision, the Scope can be amended as requested.
	22	<b>Transportation Element</b>  p. 10, Attachment A, Table 2  T-6 Add policy under Transportation Element Goal 12 that establishes a <a href="#">prioritized implementation plan and timeline for periodic reviewing</a> of the Pedestrian and Bicycle Facilities Plan.	The suggested revision does not substantively alter the Scope of Work. Rather, it clarifies the wording of this task. If the Council supports this revision, the Scope can be amended as requested.
	23	<b>Transportation Element</b>  p. 10, Attachment A, Table 2  Add: <a href="#">T-9 Add policy under Transportation Element Goal 12 to study opportunities to expand electric bicycle infrastructure near light rail and in Town Center.</a>	The scope of work includes a subtask to adopt a policy that establishes a review timeline for the Bike and Pedestrian Facilities Plan (see Table 2, Subtask T-6). The proposed policy focused on electric bike infrastructure would align well with a future update to the Bike and Pedestrian Facilities Plan. If the Council supports this revision, the Scope can be amended as requested.
	24	<b>Public Participation Plan</b>  p. 2, stakeholder bulleted list, line 42  Above "the general public", insert "homeowners" and "renters". These groups will require different outreach strategies than the general public and are critical to distinguish.	The suggested revision does not substantively alter the public participation plan. Rather, it adds specificity to the list of stakeholders that will be engaged in the Comprehensive Plan review process. If the Council supports this revision, the public participation plan text can be amended as requested.
	25	<b>Public Participation Plan</b>  p. 3, Tasks, line 19  Add: 1.4 Invite multi-family housing property managers to share meeting notices regarding the plan, particularly the housing and economic development elements of the plan.	The suggested revision does not substantively alter the public participation plan. Rather, it articulates a strategy for targeted outreach to residents of multi-family properties. If the Council supports this revision, the public participation plan text can be amended as requested.

\* Note: These comments were received after the March 1 deadline

Submitted By	Reference #	Comment/Question	Staff Response
Planning Commissioner Kate Akyuz* (continued)  * Note: These comments were received after the March 1 deadline	26	<p><b>Public Participation Plan</b></p> <p>p. 4, Goal 3, line 17</p> <p>Between existing tasks 1.2 and 1.3 insert the following and renumber the remaining tasks:</p> <p>3.2 The Housing Work Group will partner with multi-family property managers to host a Renters Forum to share findings of the HNA and directly listen to the needs and hear ideas from the rental community.</p>	<p>Adding this task to the public participation plan would direct the Housing Work Group to specifically hold a “renters’ forum”. Tenants of multi-family properties (and other renters) can be more difficult to reach through typical outreach channels and may be underrepresented in planning processes. This additional forum could help to better engage this group of residents in the process. The addition of this forum would likely add one additional Housing Work Group meeting to the scope and master schedule. An additional housing work group meeting is unlikely to delay the adoption date for the Comprehensive Plan update.</p> <p>If the Council supports this revision, the public participation plan text can be amended as requested. An additional task for the added Housing Work Group meeting would be added to the master schedule. The initial delivery of draft housing goal and policy amendments from the Housing Work Group to the Planning Commission might end up being delayed by roughly one month if this task is inserted into the master schedule.</p>



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

**AB 6036  
March 15, 2022  
Regular Business**

**AGENDA BILL INFORMATION**

<b>TITLE:</b>	AB 6036: Development Code Amendment ZTR21-004 Town Center Retail Requirements – Ordinance No. 21C-28 (Third Reading)	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Receive the second Planning Commission recommendation, conduct third reading of the ordinance, and provide legislative direction to staff.	

<b>DEPARTMENT:</b>	Community Planning and Development		
<b>STAFF:</b>	Jeff Thomas, Interim Director Sarah Bluvas, Economic Development Coordinator		
<b>COUNCIL LIAISON:</b>	n/a		
<b>EXHIBITS:</b>	1. Ordinance No. 21C-28 2. February 22, 2022, Planning Commission Second Recommendation 3. Legislative Option 5 – September 2021 4. Legislative Timeline		
<b>CITY COUNCIL PRIORITY:</b>	n/a		

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

**SUMMARY**

**EXECUTIVE SUMMARY**

The purpose of this agenda bill is to provide direction related to proposed amendments to MICC 19.11.020(B), which outlines ground-floor commercial requirements in the Town Center zone (ZTR21-004).

- In June 2020, the City Council enacted a moratorium on major new construction generally in the southeast quadrant of the Town Center (TC) zoning designation.
- The moratorium remains in place while the City evaluates potential updates and/or amendments to development regulations for commercial space requirements within the Town Center.
- At the end of 2021, the City Council conducted first and second readings of Ordinance No. 21C-28 (Exhibit 1), which proposes amendments to MICC 19.11.020(B) related to commercial space requirements in the TC zone.
- The ordinance proposed the following major amendments to MICC 19.11.020(B):
  - Update the eligible commercial uses required adjacent to street frontages as identified in Figure 2 (the “pink lines map”);

- Add a commercial floor area ratio (FAR) requirement of space for eligible commercial use to be applied to specific parcels; and
- Add a limited no net loss requirement of space for eligible commercial use to be applied to specific parcels.
- On December 7, 2021, the City Council proposed additional amendments, including combining the FAR and no net loss requirements for a “greater of the two” requirement across specific parcels, and remanded the matter back to the Planning Commission for a new public hearing and recommendation.
- On Tuesday, the City Council will receive the Planning Commission’s second recommendation (Exhibit 2), conduct a third reading of Ordinance No. 21C-28, and provide legislative direction to staff.

## **BACKGROUND**

The current Town Center development regulations were established in June 2016 ([Ordinance No. 16C-06](#)). Per the current code, major new development located north of SE 29th Street in the Town Center must provide ground floor street frontage commercial space for use by retail, restaurant, or personal services (e.g., barber shop, nail salon, and fitness center). Between 40 and 60 percent of the ground floor street frontage north of SE 29th Street must be designed for retail, restaurant, or personal services; 40 percent is required for those major new developments that provide public parking, while 60 percent is required for those developments that do not provide public parking. Commercial space is allowed, but not required, south of SE 29th Street in the Town Center (TC) zoning designation.

In June 2020, the City Council enacted a moratorium on major new construction generally in the southeast quadrant of the TC zone. This moratorium was intended to temporarily prevent submittal of development applications while the City considers potential updates and/or amendments to development regulations within the Town Center, including requirements for ground-floor commercial use and for preserving existing commercial square footage in the TC zone. The City Council cited the goal of protecting and expanding Mercer Island’s retail sector to maintain and improve the community’s quality of life and emergency preparedness as primary drivers for enacting the moratorium.

Since enacting the moratorium, City staff, the City Council, the Planning Commission, and consulting firm Community Attributes, Inc., participated in several discussions to present findings and arrive at a proposal to amend MICC 19.11.020(B), including eleven City Council meetings, five Planning Commission meetings, and two Public Hearings (Exhibit 4).

The City Council remanded Ordinance No. 21C-28 (ZTR21-004) with proposed amendments (Exhibit 1) back to the Planning Commission on December 7, 2021, with the direction to hold a second Public Hearing, deliberate, and vote on a second recommendation for the City Council no later than March 15, 2022.

## **PLANNING COMMISSION DELIBERATION & RECOMMENDATION**

On January 26, 2022, staff conducted a working session with the Planning Commission on the following matters:

- Revising the proposed commercial floor area (FAR) and no net loss provisions to a “greater of the two” requirement for parcels identified in an updated Figure 3 in the proposal (proposed by City Council on November 16, 2021);
- Adding visual and performing arts venues to the list of eligible uses adjacent to street frontage (proposed by City Council on November 16, 2021);

- Adding an evaluation trigger of five years after the date of adoption or at which time 75,000 sf of commercial space has been authorized through Building Permit issuance (proposed by City Council on November 16, 2021);
- Reconciling definitions for other eligible uses adjacent to street frontage using definitions from MICC 19.16.010 (directed by City Council on December 7, 2021);
- Exempting visual and performing arts venues from the 60' contiguous linear street frontage maximum (directed by City Council on December 7, 2021); and
- Establishing a 5,000-square foot cap for visual and performing arts uses that can be applied to the commercial FAR or not net loss requirement (directed by City Council on December 7, 2021).

Staff completed the required noticing for two Public Hearings on ZTR21-004, including publishing information in the Permit Bulletin, *Mercer Island Reporter*, City website, and Planning Commission calendar, as well as mailing notices to 700+ stakeholders and posting on-site. Additionally, for the second Public Hearing that took place on February 16, 2022, staff conducted targeted outreach to Town Center commercial property owners and managers (eleven contacts) and general outreach to the City's business e-mail list (900+ contacts).

The Planning Commission conducted the required Public Hearing on February 16, 2022, at which time they received comments from four speakers. After a brief deliberation, the Commission voted 6-0 (one Commission position was vacant) to not approve the proposed amendments to MICC 19.11.020(B) as presented (Exhibit 2).

## LEGISLATIVE OPTIONS

The following section summarizes the legislative options previously presented to the City Council over the course of 2021 to address the findings established in the moratorium. They are included here again for reference.

### **Option 1 Do nothing.**

This option was presented to the City Council in summer 2021. There would be no change to current regulations. An ordinance adoption would not be required.

### **Option 2 Amend MICC 19.11.020 Figure 2 to complete surgical additions / deletions to the current map.**

This option was presented to the City Council in summer 2021. It was also part of the original direction in September and the subsequent direction in December 2021 from the City Council to the Planning Commission.

### **Option 3 Amend MICC 19.11.020 to add a "no net loss" commercial retail square footage requirement throughout the TC for post 2005 developed parcels administered on a parcel-by-parcel basis.**

This option developed from a blanket no net loss option. It was part of the original direction from the City Council to the Planning Commission in September 2021.

### **Option 4 Amend MICC 19.11.020 to add a "commercial floor area ratio" requirement for parcels subject to the requirement in Figure 2 and not otherwise excluded by some other means.**

This option was previously presented to City Council in summer 2021. It was part of the original direction from the City Council to the Planning Commission in September 2021.

**Option 5 Amend MICC 19.11.020 by combining Options 2, 3, and 4 (above).**

Combining Options 2, 3, and 4 (above) was the original direction from the City Council to the Planning Commission in September 2021 (Exhibit 3). After receiving the Planning Commission recommendation in November to not proceed with this combination of options, the City Council provided subsequent direction to the Planning Commission in December 2021 (see Option 6 below).

**Option 6 Amend MICC 19.11.020 by executing Ordinance No. 21C-28 with or without further amendments to combine Option 2 with a “greater than” requirement between “commercial floor area ratio” and “no net loss” for parcels subject to the requirement in Figure 2.**

This combination of Option 2 with a “greater than” requirement has also received a Planning Commission recommendation to not proceed, which will be presented to City Council on March 15.

**NEXT STEPS**

At Tuesday’s meeting, Chair Daniel Hubbell will present the Planning Commission’s recommendation on this matter and answer questions from the City Council.

Staff seeks legislative direction from the City Council and, upon receiving the direction, anticipates a fourth reading of Ordinance No. 21C-28 will be scheduled approximately mid-year. This will allow time for the SEPA review to be amended as necessary and finalized. It also allows for re-noticing to the WA Department of Commerce (if necessary); a Planning Commission review and recommendation to remove Figure TC-1 from the Comprehensive Plan (if necessary); and Ordinance No. 21C-28 to be renumbered due to a new year, finalized, and reviewed.

**RECOMMENDED ACTION**

Receive the Planning Commission’s recommendation, conduct a third reading of Ordinance No. 21C-28, and provide legislative direction to staff.



**CITY OF MERCER ISLAND  
ORDINANCE NO. 21C-28**

**AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON;  
AMENDING MICC 19.11.020(B) TO REVISE THE STANDARDS AND  
REQUIREMENTS FOR TOWN CENTER RETAIL REQUIREMENTS;  
REPEALING THE TOWN CENTER MORATORIUM ADOPTED BY  
ORDINANCE NO. 21C-27; PROVIDING FOR SEVERABILITY; AND  
ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City adopted Ordinance No. 20-12 on June 2, 2020, implementing a six-month moratorium pursuant to RCW 35A.63.220 and RCW 36.70A.390 on the submission of applications for any building permits or any other land use approvals for Major New Construction as defined in MICC 19.16.010 for properties located within the Town Center (TC) zone at Mercer Island south of SE 29<sup>th</sup> Street; and

**WHEREAS**, after the public hearing on the above referenced moratorium, the City adopted Ordinance No. 20-18 on September 1, 2020, amending Ordinance No. 20-12 to reduce the size of the geographic area subject to moratorium to the Town Center (TC) zone at Mercer Island south of SE 29<sup>th</sup> Street, east of 77<sup>th</sup> Avenue SE, and west of 80<sup>th</sup> Avenue SE, and to include additional findings of fact; and

**WHEREAS**, the City Council has extended the effective period of Ordinance No. 20-12 most recently on November 16, 2021, through Ordinance No. 21C-27 following a public hearing, and the most recent extension extends the moratorium into June 2022; and

**WHEREAS**, protecting and expanding Mercer Island's retail sector is of utmost importance to maintaining and improving the quality of life and emergency preparedness by providing local access to goods and services that are necessary to meet the daily need of residents; and

**WHEREAS**, the City Council finds that the current Town Center retail requirements for Major New Construction may result in diminishment of such space, lead to Mercer Island being underserved long term and therefore unable to meet future demand; and

**WHEREAS**, the City Council desires to adopt permanent standards and requirements for Town Center retail requirements; and

**WHEREAS**, the City Council hereby finds that the actions set forth below are necessary to protect and expand Mercer Island's retail sector and preserve public peace, health, safety, and welfare;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON DO ORDAIN AS FOLLOWS:**

**Section 1. Whereas Clauses Adopted.** The “Whereas Clauses” set forth in the recital section above are hereby adopted as the findings of the City Council for passing this ordinance.

**Section 2. Repeal and replacement of Mercer Island City Code (MICC) 19.11.020(B).** MICC 19.11.020(B), Required Street Frontage Commercial Uses, is hereby repealed and replaced as set forth in Exhibit A to this ordinance.

**Section 3. Repeal of Town Center Moratorium.** With the adoption in Section 2 of a new MICC 19.11.020(B) revising the standards and requirements for Town Center retail requirements, the current (partial) Town Center moratorium is no longer necessary. Ordinance No. 21C-27 is, therefore, hereby repealed in its entirety.

**Section 4. Severability.** If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, or its application held inapplicable to any person, property, or circumstance, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause or phrase of this ordinance or its application to any other person, property, or circumstance.

**Section 5. Publication and Effective Date.** A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall take effect and be in full force five days after the date of publication.

Passed by the City Council of the City of Mercer Island, Washington, at its regular meeting on March 15, 2022, and signed in authentication of its passage.

CITY OF MERCER ISLAND

\_\_\_\_\_  
Salim Nice, Mayor

Approved as to Form:

ATTEST:

\_\_\_\_\_  
Bio Park, City Attorney

\_\_\_\_\_  
Andrea Larson, City Clerk

Date of Publication: \_\_\_\_\_

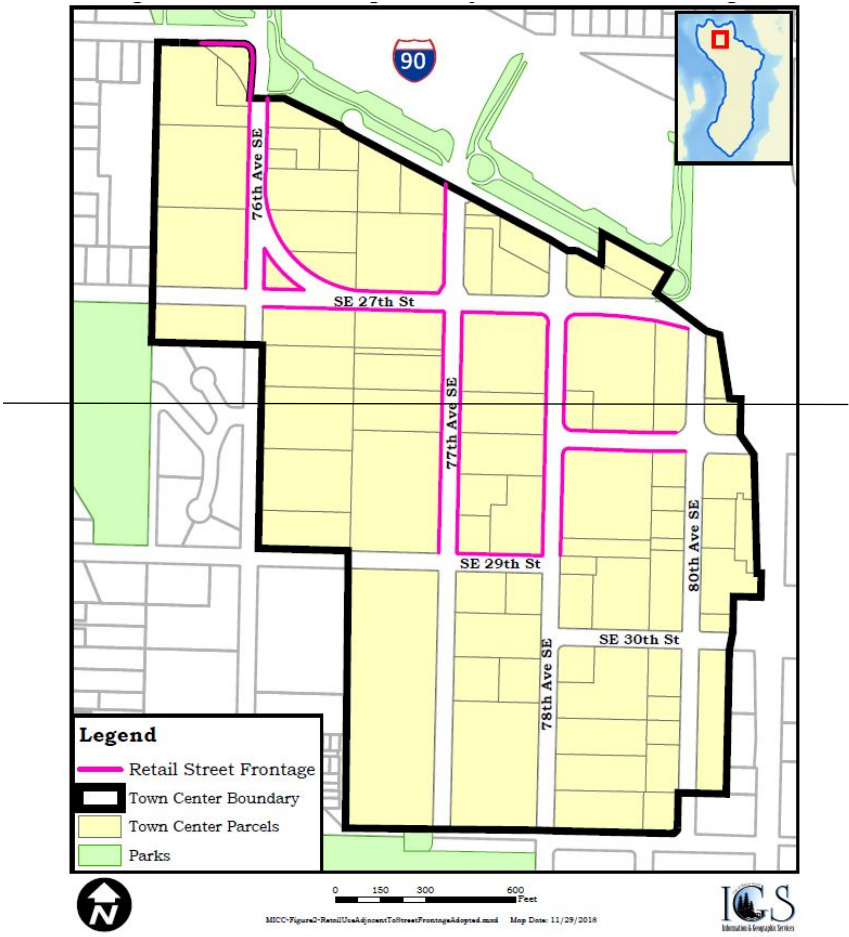
Exhibit A  
To Ordinance No. 21C-28

MICC 19.11.020(B) is repealed in its entirety.

~~B. *Required ground floor uses.* Retail, restaurant or personal service uses are required along retail street frontages as shown on Figure 2.~~

- ~~1. If public parking is provided pursuant to MICC [19.11.130\(B\)\(5\)](#), then the following applies:
 
  - ~~a. A minimum of 40 percent of the ground floor street frontage shall be occupied by one or more of the following permitted uses: retail, restaurant, and/or personal service use.~~
  - ~~b. A maximum of 60 percent of each ground floor street frontage can be occupied by the following uses: hotel/motel, personal service, public facility, or office.~~
  - ~~c. Driveways, service and truck loading areas, parking garage entrances and lobbies shall not be included in calculating the required percentages of ground floor use.~~~~
- ~~2. If public parking is not provided pursuant to MICC [19.11.130\(B\)\(5\)](#), then the following applies:
 
  - ~~a. A minimum of 60 percent of the ground floor street frontage shall be occupied by one or more of the following permitted uses: retail, restaurant, and/or personal service use.~~
  - ~~b. A maximum of 40 percent of each ground floor street frontage can be occupied by the following uses: hotel/motel, personal service, public facility, or office.~~
  - ~~c. Driveways, service and truck loading areas, parking garage entrances and lobbies shall not be included in calculating the required percentages of ground floor use.~~~~
- ~~3. No use shall occupy a continuous linear street frontage exceeding 60 feet in length. The design commission may approve up to an additional six feet in length if the use incorporates a feature to promote pedestrian activity, including but not limited to: an additional pedestrian entrance onto a sidewalk or through block connection, or additional ten percent transparency beyond the requirement of MICC [19.11.100\(B\)\(1\)\(b\)](#).~~
- ~~4. The minimum required depth of storefronts along retail street frontages is 16 feet.~~

Figure 2 — Retail Use Required Adjacent To Street Frontages



A new MICC 19.11.020(B) is adopted as follows:

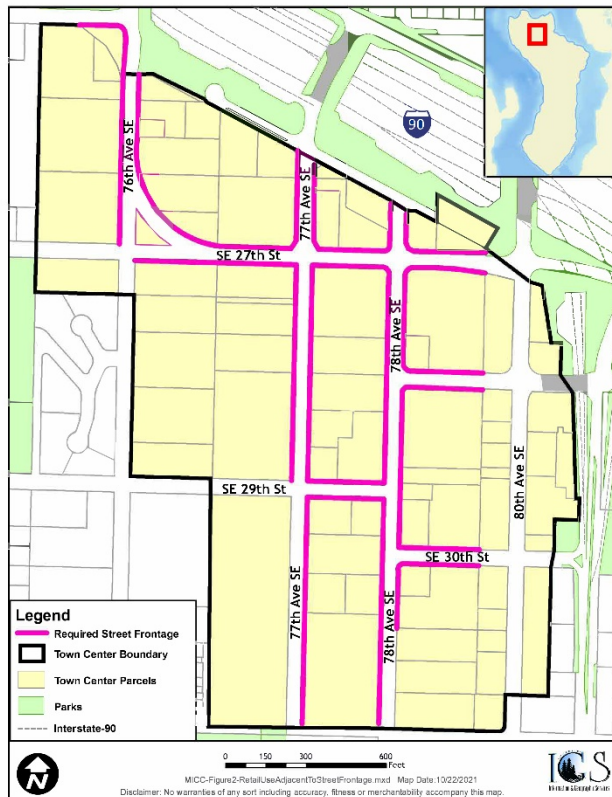
B. Required Street Frontage Uses

1. Retail, restaurant and/or personal service uses; museums and art exhibition uses; and/or theater uses as defined in MICC 19.16.010 and listed below are required adjacent to street frontages as shown on Figure 2.

Definitions

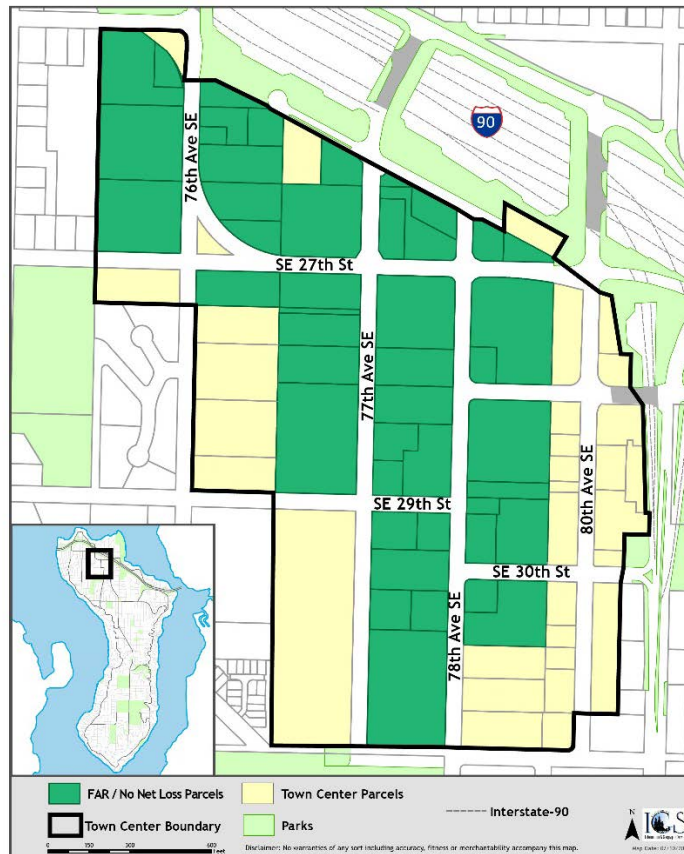
- a. *Museums and art exhibitions:* The exhibition of objects of historical, cultural, and/or educational value that are not offered for sale.
- b. *Personal services:* A business that provides services relating to personal grooming and health. Uses include barber shops, hair stylists, spas, fitness centers and nail salons.
- c. *Restaurant:* An establishment where food and drink are prepared and consumed. Such establishment may also provide catering services.
- d. *Retail use:* An establishment engaged in selling goods or merchandise and rendering services incidental to the sale of such goods.
- e. *Theaters:* Establishments primarily engaged in producing live presentations involving the performances of actors and actresses, singers, dancers, musical groups and artists, and other performing artists

Figure 2 Uses Required Adjacent to Street Frontages



- a. No use shall occupy a continuous linear street frontage exceeding 60 feet in length, with the exception of museum and art exhibition and/or theater uses. The design commission may approve up to an additional six feet in length if the use incorporates a feature to promote pedestrian activity, including but not limited to: an additional pedestrian entrance onto a sidewalk or through-block connection, or additional 10 percent transparency beyond the requirement of MICC [19.11.100\(B\)\(1\)\(b\)](#).
  - b. The minimum required depth of uses along street frontages is 16 feet.
2. The identified parcels as shown on Figure 3 are required to provide a minimum Floor Area Ratio (FAR) equivalent to 0.2623 of the gross lot area as provided by King County or a no net loss of existing floor area on the effective date of this Ordinance, whichever is greater, for retail, restaurant and/or personal service uses; museum and art exhibition uses; and/or theater uses adjacent to street frontages upon redevelopment. For the purposes of determining redevelopment, the value of redevelopment shall be an amount equal to or greater than 50% of the current total assessed improvement value as determined by King County.

**Figure 3 – Parcels Subject to FAR or No Net Loss Requirement for Required Street Frontage Uses**



- a. When a FAR calculation results in a fraction, the fraction shall be rounded to the nearest whole number as follows:
  - i. Fractions of 0.50 or above shall be rounded up to the closest whole number; and
  - ii. Fractions below 0.50 shall be rounded down to the closest whole number.
  
- b. Each individual museum and art exhibition use as well as theater use shall be limited to a contributing cap of 5,000 square feet towards the achievement of the total minimum FAR requirement for the corresponding site. For example, a site with a minimum FAR requirement of 20,000 square feet may only have one of these identified uses contribute a maximum of 5,000 square feet towards the necessary minimum through a 1:1 contribution. The remaining 15,000 square feet must come from retail, restaurant and/or personal service uses as defined in MICC 19.16.
  
- c. A review of this requirement shall occur five (5) years from the date of Ordinance adoption or after 75,000 square feet of floor area for retail, restaurant and/or personal service uses; museum and art exhibition uses; and/or theater uses adjacent to street frontages has been authorized through Building Permit issuance.

# CITY OF MERCER ISLAND

## COMMUNITY PLANNING & DEVELOPMENT

9611 SE 36TH STREET | MERCER ISLAND, WA 98040

PHONE: 206.275.7605 | [www.mercergov.org](http://www.mercergov.org)



## PLANNING COMMISSION

**To:** City Council

**From:** Daniel Hubbell, Planning Commission Chair

**Date:** February 22, 2022

**RE:** ZTR21-004 Town Center Retail Requirements Code Amendment

**Attachments:** A. Proposed Amendment to 19.11.020(B) presented to Planning Commission  
B. Planning Commission Recommendation on ZTR21-004

On behalf of the Planning Commission, I would like to present our second recommendation related to ZTR21-004, the proposed code amendment for MICC 19.11.020(B) related to ground floor commercial requirements for Town Center street frontages.

In June 2020, the City Council enacted a moratorium on major new construction generally in the southeast quadrant of the Town Center (TC) zoning designation while the City evaluated potential updates and/or amendments to development regulations within the Town Center, including requirements for various types of commercial space. The Planning Commission took up this item in fall of 2021 and sent a recommendation to the City Council on November 16, 2021. The Council conducted first and second readings of the proposed amendment before remanding it back to the Planning Commission on December 7, 2021, to conduct a new public hearing and to review/recommend the following:

- Revise the proposed commercial floor area (FAR) and no net loss provisions to a “greater of the two” requirement for parcels identified in an updated Figure 3 in the proposal (proposed by City Council on November 16, 2021);
- Add visual and performing arts venues to the list of eligible uses adjacent to street frontage (proposed by City Council on November 16, 2021);
- Add an evaluation trigger of five years after the date of adoption or at which time 75,000 of commercial space has been authorized through Building Permit issuance (proposed by City Council on November 16, 2021);
- Reconcile definitions for other eligible uses adjacent to street frontage using definitions from MICC 19.16.010 (directed by City Council on December 7, 2021);
- Exempt visual and performing arts venues from the 60’ contiguous linear street frontage maximum (directed by City Council on December 7, 2021); and
- Establish a 5,000-square foot cap for visual and performing arts uses that can be applied to the commercial FAR or not net loss requirement (directed by City Council on December 7, 2021).



The Planning Commission reviewed and discussed the updated proposed amendment (Attachment A) on January 26, 2022, and held a second open record public hearing on February 16, 2022. Four speakers provided public comment on February 16, and the Commission also received written comments/questions from two commercial property owners, a commercial leasing agent, and a Mercer Island resident who specializes in economic development.

The feedback received by the Commission raised additional concern about the unintended impacts of the proposed "greater than" requirement as well as the need for more public outreach and engagement in this process. Following the public hearing, the Commission deliberated briefly and voted 6-0 (one Commission seat is vacant) to not approve the draft amendment to MICC 19.11.020(B) as presented. Instead, the Commission submits a recommendation (Attachment B) again suggesting continued work to address the issues represented by the moratorium.

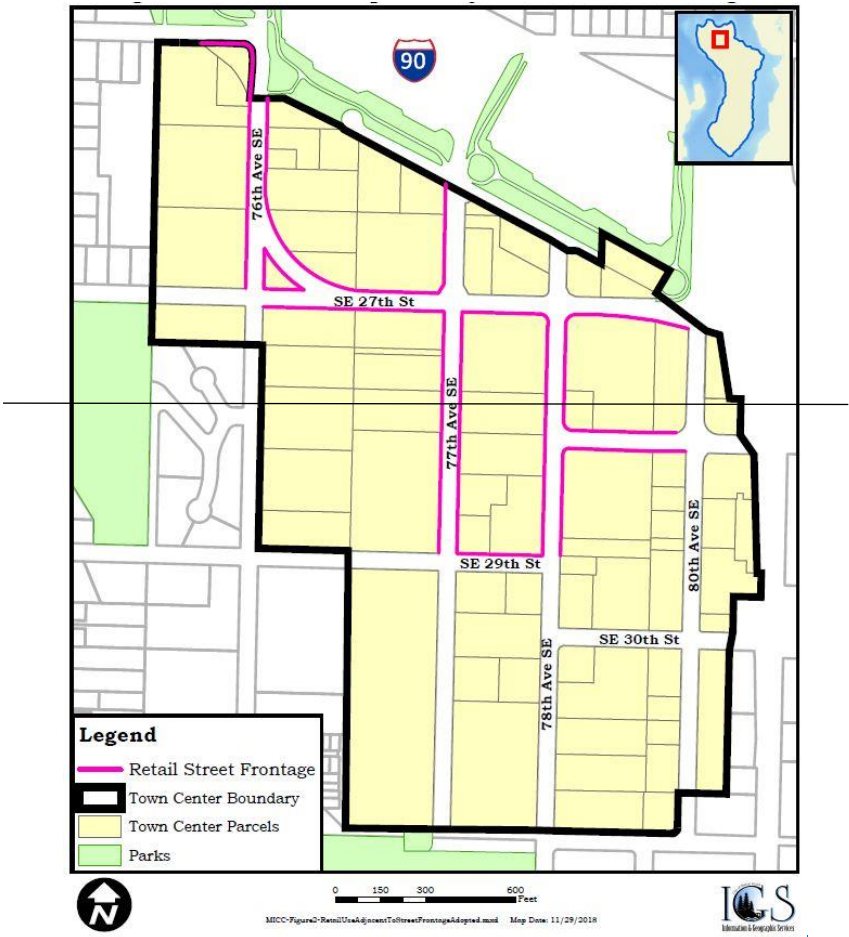
   
\_\_\_\_\_  
Daniel Hubbell Date  
Planning Commission Chair, City of Mercer Island

**MICC 19.11.020(B) is proposed to be repealed in its entirety.**

~~B. *Required ground floor uses.* Retail, restaurant or personal service uses are required along retail street frontages as shown on Figure 2.~~

- ~~1. If public parking is provided pursuant to MICC [19.11.130\(B\)\(5\)](#), then the following applies:
 
  - ~~a. A minimum of 40 percent of the ground floor street frontage shall be occupied by one or more of the following permitted uses: retail, restaurant, and/or personal service use.~~
  - ~~b. A maximum of 60 percent of each ground floor street frontage can be occupied by the following uses: hotel/motel, personal service, public facility, or office.~~
  - ~~c. Driveways, service and truck loading areas, parking garage entrances and lobbies shall not be included in calculating the required percentages of ground floor use.~~~~
- ~~2. If public parking is not provided pursuant to MICC [19.11.130\(B\)\(5\)](#), then the following applies:
 
  - ~~a. A minimum of 60 percent of the ground floor street frontage shall be occupied by one or more of the following permitted uses: retail, restaurant, and/or personal service use.~~
  - ~~b. A maximum of 40 percent of each ground floor street frontage can be occupied by the following uses: hotel/motel, personal service, public facility, or office.~~
  - ~~c. Driveways, service and truck loading areas, parking garage entrances and lobbies shall not be included in calculating the required percentages of ground floor use.~~~~
- ~~3. No use shall occupy a continuous linear street frontage exceeding 60 feet in length. The design commission may approve up to an additional six feet in length if the use incorporates a feature to promote pedestrian activity, including but not limited to: an additional pedestrian entrance onto a sidewalk or through block connection, or additional ten percent transparency beyond the requirement of MICC [19.11.100\(B\)\(1\)\(b\)](#).~~
- ~~4. The minimum required depth of storefronts along retail street frontages is 16 feet.~~

Figure 2 — Retail Use Required Adjacent To Street Frontages



A new MICC 19.11.020(B) is proposed as follows:

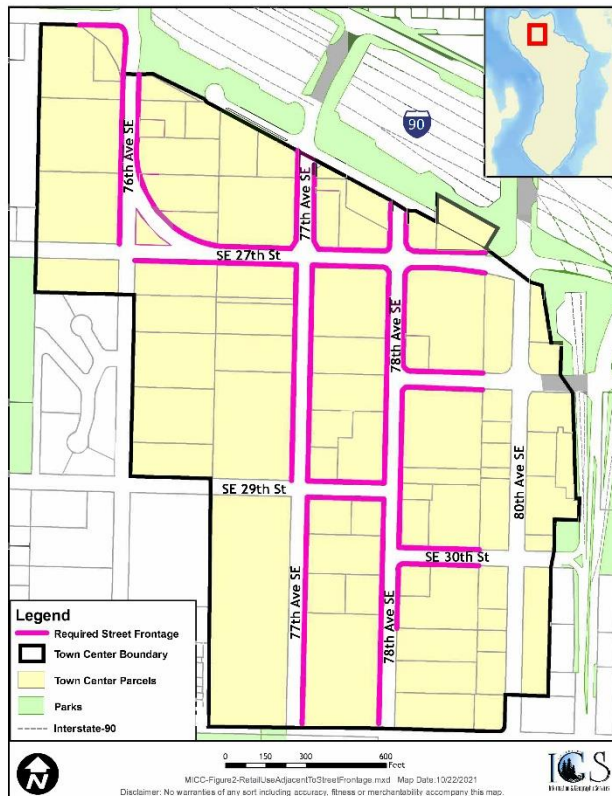
B. Required Street Frontage Uses

1. Retail, restaurant and/or personal service uses; museums and art exhibition uses; and/or theater uses as defined in MICC 19.16.010 and listed below are required adjacent to street frontages as shown on Figure 2.

Definitions

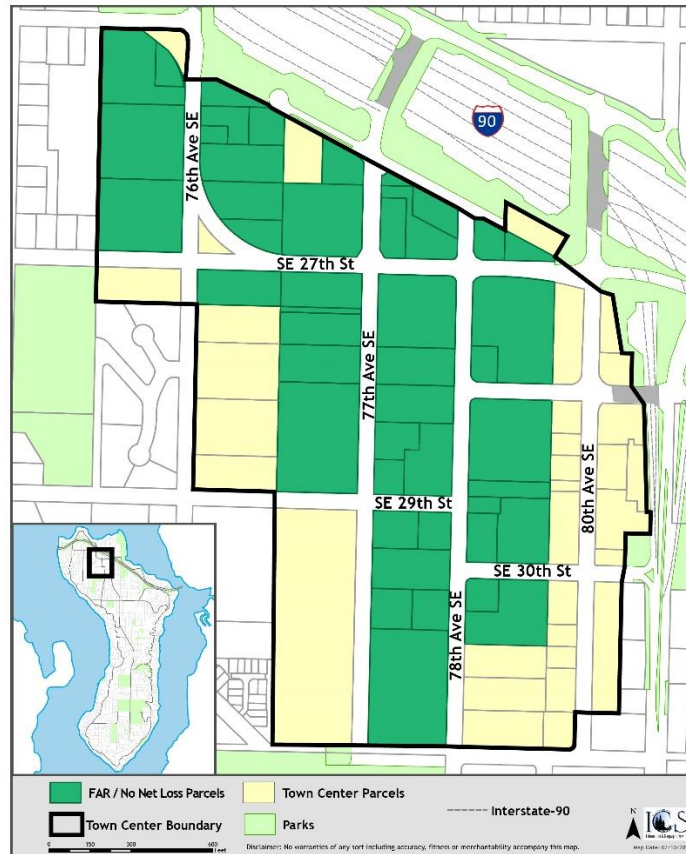
- a. *Museums and art exhibitions:* The exhibition of objects of historical, cultural, and/or educational value that are not offered for sale.
- b. *Personal services:* A business that provides services relating to personal grooming and health. Uses include barber shops, hair stylists, spas, fitness centers and nail salons.
- c. *Restaurant:* An establishment where food and drink are prepared and consumed. Such establishment may also provide catering services.
- d. *Retail use:* An establishment engaged in selling goods or merchandise and rendering services incidental to the sale of such goods.
- e. *Theaters:* Establishments primarily engaged in producing live presentations involving the performances of actors and actresses, singers, dancers, musical groups and artists, and other performing artists

Figure 2 Uses Required Adjacent to Street Frontages



- a. No use shall occupy a continuous linear street frontage exceeding 60 feet in length, with the exception of museum and art exhibition and/or theater uses. The design commission may approve up to an additional six feet in length if the use incorporates a feature to promote pedestrian activity, including but not limited to: an additional pedestrian entrance onto a sidewalk or through-block connection, or additional 10 percent transparency beyond the requirement of MICC [19.11.100\(B\)\(1\)\(b\)](#).
  - b. The minimum required depth of uses along street frontages is 16 feet.
2. The identified parcels as shown on Figure 3 are required to provide a minimum Floor Area Ratio (FAR) equivalent to 0.2623 of the gross lot area as provided by King County or a no net loss of existing floor area on the effective date of this Ordinance, whichever is greater, for retail, restaurant and/or personal service uses; museum and art exhibition uses; and/or theater uses adjacent to street frontages upon redevelopment. For the purposes of determining redevelopment, the value of redevelopment shall be an amount equal to or greater than 50% of the current total assessed improvement value as determined by King County.

**Figure 3 – Parcels Subject to FAR or No Net Loss Requirement for Required Street Frontage Uses**



- a. When a FAR calculation results in a fraction, the fraction shall be rounded to the nearest whole number as follows:
  - i. Fractions of 0.50 or above shall be rounded up to the closest whole number; and
  - ii. Fractions below 0.50 shall be rounded down to the closest whole number.
  
- b. Each individual museum and art exhibition use as well as theater use shall be limited to a contributing cap of 5,000 square feet towards the achievement of the total minimum FAR requirement for the corresponding site. For example, a site with a minimum FAR requirement of 20,000 square feet may only have one of these identified uses contribute a maximum of 5,000 square feet towards the necessary minimum through a 1:1 contribution. The remaining 15,000 square feet must come from retail, restaurant and/or personal service uses as defined in MICC 19.16.
  
- c. A review of this requirement shall occur five (5) years from the date of Ordinance adoption or after 75,000 square feet of floor area for retail, restaurant and/or personal service uses; museum and art exhibition uses; and/or theater uses adjacent to street frontages has been authorized through Building Permit issuance.

On February 16, 2022, the Planning Commission conducted a second open record public hearing on ZTR21-004 Town Center Retail Requirements. The Commission deliberated briefly and voted 6-0 to recommend that the City Council direct additional work on ZTR21-004 to address the legitimate concerns raised on February 16, including (but not limited to):

1. Articulation of a clear problem statement or goal
2. Public Participation - Requirements of RCW 36.70A.035 including outreach and full engagement of MI Town Center stakeholders including Town Center business owners
3. Potential SEPA compliance issues
4. Traffic impacts and parking requirements of the current proposal
5. Potential Impacts of recently proposed statewide zoning legislation which could alter how MI chooses to absorb its GMA growth allocations.
6. Treatment of non-conforming uses within the Town Center including impacts to existing tenants who no longer meet the definition of “services”
7. Potential Inconsistencies with the Comprehensive Plan
8. Commercial needs assessment with regard to street frontage, depth of commercial space and allowed uses
9. Impacts of the FAR and no net loss approaches on both property owners and business owners
10. Consider alternative legislative methods to encourage the retail uses most desired/needed by the community (eg. incentive programs, sub-area overlays, infrastructure investments, relaxing of regulations, etc.)
11. Consider professional input to address the issues above

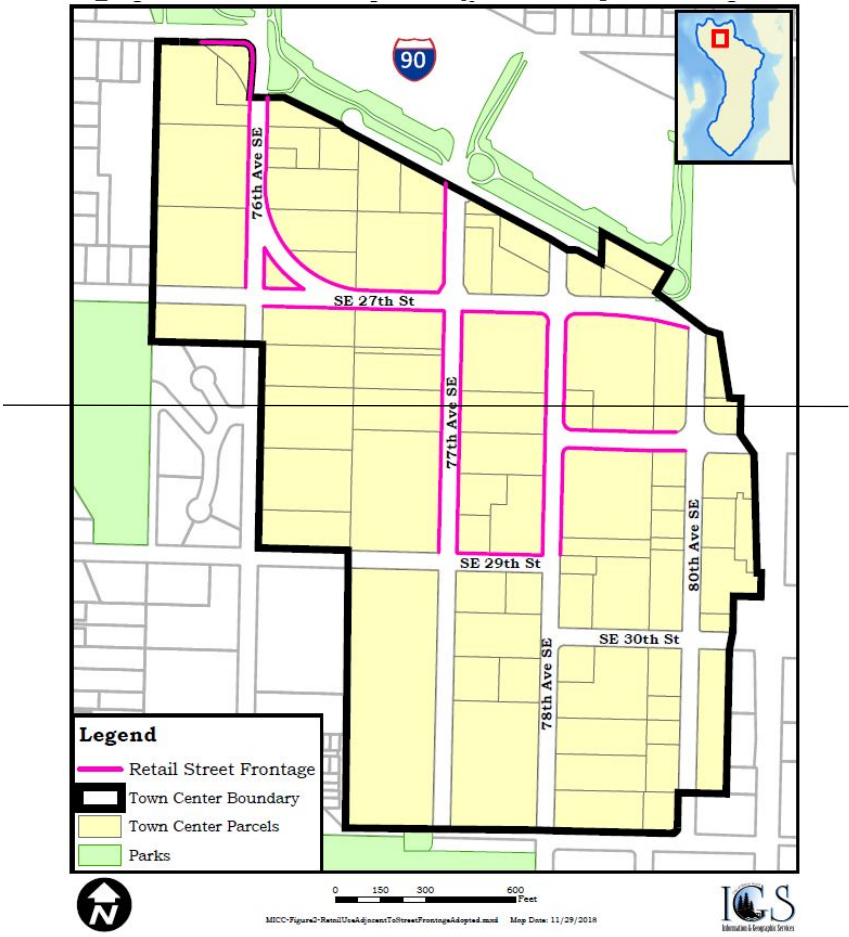
## Legislative Option 5

### MICC 19.11.020(B) is repealed in its entirety.

- ~~B. *Required ground floor uses.* Retail, restaurant or personal service uses are required along retail street frontages as shown on Figure 2.~~
- ~~1. If public parking is provided pursuant to MICC [19.11.130](#)(B)(5), then the following applies:
 
    - ~~a. A minimum of 40 percent of the ground floor street frontage shall be occupied by one or more of the following permitted uses: retail, restaurant, and/or personal service use.~~
    - ~~b. A maximum of 60 percent of each ground floor street frontage can be occupied by the following uses: hotel/motel, personal service, public facility, or office.~~
    - ~~c. Driveways, service and truck loading areas, parking garage entrances and lobbies shall not be included in calculating the required percentages of ground floor use.~~~~
  - ~~2. If public parking is not provided pursuant to MICC [19.11.130](#)(B)(5), then the following applies:
 
    - ~~a. A minimum of 60 percent of the ground floor street frontage shall be occupied by one or more of the following permitted uses: retail, restaurant, and/or personal service use.~~
    - ~~b. A maximum of 40 percent of each ground floor street frontage can be occupied by the following uses: hotel/motel, personal service, public facility, or office.~~
    - ~~c. Driveways, service and truck loading areas, parking garage entrances and lobbies shall not be included in calculating the required percentages of ground floor use.~~~~
  - ~~3. No use shall occupy a continuous linear street frontage exceeding 60 feet in length. The design commission may approve up to an additional six feet in length if the use incorporates a feature to promote pedestrian activity, including but not limited to: an additional pedestrian entrance onto a sidewalk or through-block connection, or additional ten percent transparency beyond the requirement of MICC [19.11.100](#)(B)(1)(b).~~
  - ~~4. The minimum required depth of storefronts along retail street frontages is 16 feet.~~



Figure 2 — Retail Use Required Adjacent To Street Frontages

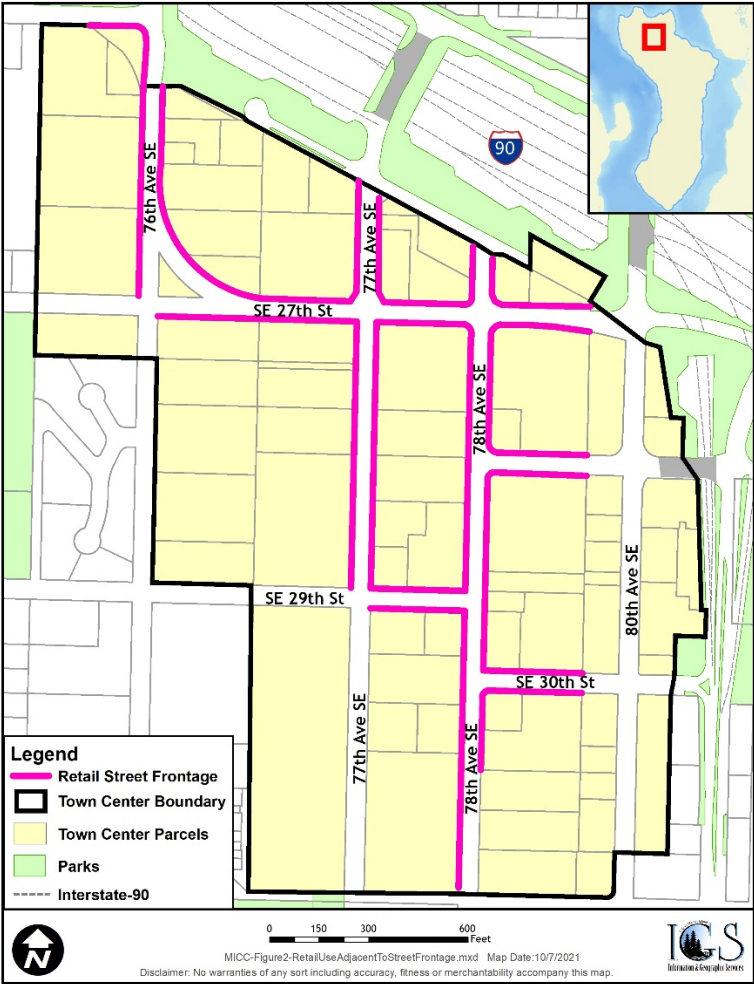


A new MICC 19.11.020(B) is adopted as follows:

B. Required Street Frontage Commercial Uses.

- 1. Retail, restaurant or personal service commercial uses are required adjacent to street frontages as shown on Figure 2.

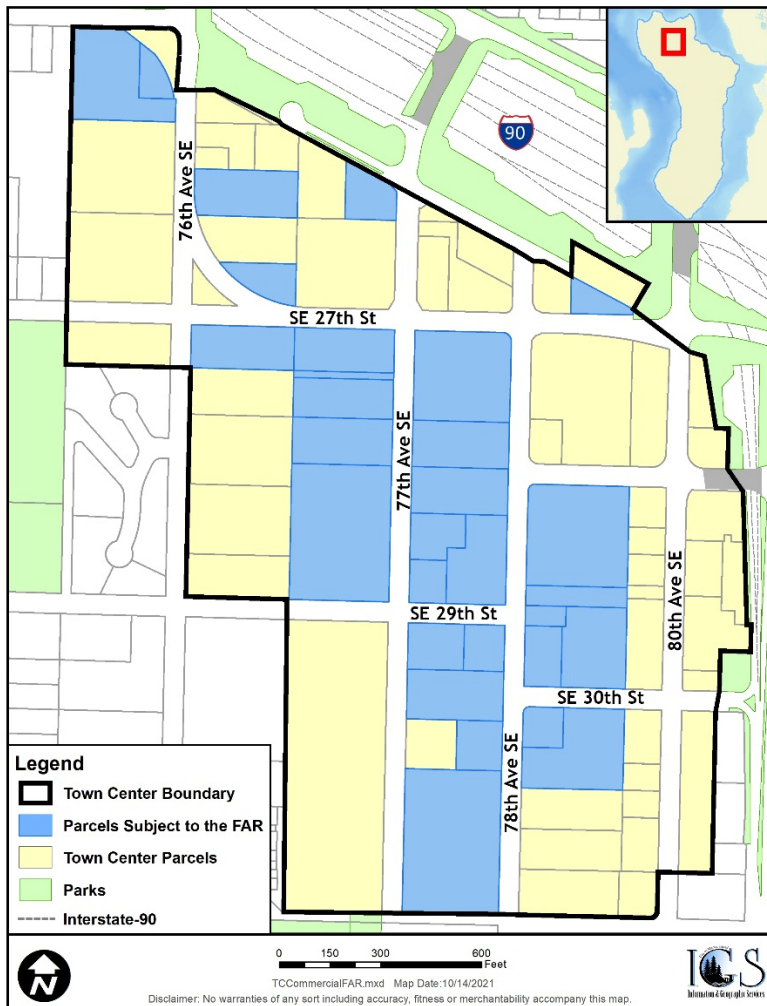
Figure 2 – Commercial Uses Required Adjacent to Street Frontages



- a. No commercial use shall occupy a continuous linear street frontage exceeding 60 feet in length. The design commission may approve up to an additional six feet in length if the use incorporates a feature to promote pedestrian activity, including but not limited to: an additional pedestrian entrance onto a sidewalk or through-block connection, or additional 10 percent transparency beyond the requirement of MICC [19.11.100\(B\)\(1\)\(b\)](#).
- b. The minimum required depth of commercial uses along street frontages is 16 feet.

2. The identified parcels as shown on Figure 3 are required to provide a minimum Floor Area Ratio (FAR) equivalent to 0.2623 of the gross lot area as provided by King County for retail, restaurant or personal service commercial uses adjacent to street frontages upon redevelopment equal to or greater than 50% of the current total assessed value as determined by King County.

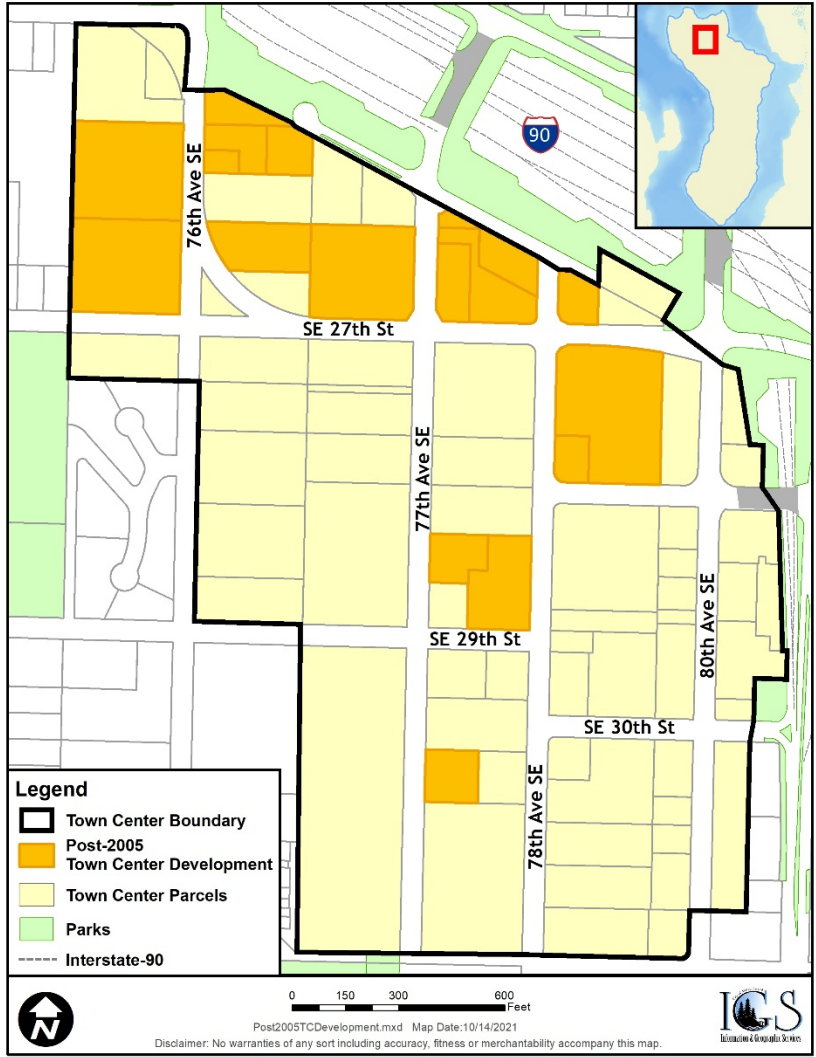
**Figure 3 – Parcels Subject to FAR Requirement for Commercial Uses**



- a. When a FAR calculation results in a fraction, the fraction shall be rounded to the nearest whole number as follows:
  - i. Fractions of 0.50 or above shall be rounded up to the closest whole number; and
  - ii. Fractions below 0.50 shall be rounded down to the closest whole number.
3. The identified parcels as shown on Figure 4 are required to provide a no net loss of existing floor area for retail, restaurant or personal service commercial uses

adjacent to street frontages upon redevelopment equal to or greater than 50% of the current total assessed value as determined by King County.

**Figure 4 – Parcels Subject to No Net Loss for Commercial Uses**



## LEGISLATIVE TIMELINE

- June 2, 2020** The City Council passed [Ordinance No. 20-12](#), which established a 6-month moratorium on major new construction south of SE 29<sup>th</sup> Street in the TC zoning designation. The City Council indicated that the City desired to possibly complete updates and/or amendments to development regulations within the Mercer Island Town Center, including requirements for various types of commercial space.
- July 21, 2020** The City Council completed the required Public Hearing for Ordinance No. 20-12 on the Town Center Moratorium and directed staff to prepare an amended interim Ordinance reducing the size of the geographic area subject to moratorium and include additional findings of fact.
- September 1, 2020** The City Council adopted [Ordinance No. 20-18](#) with a reduced size of the geographic area subject to moratorium and included additional findings of fact. Additionally, the City Council provided direction to staff to prepare a scope of work for a Town Center commercial analysis to inform options for resolving the moratorium and a corresponding budget appropriation request.
- November 17, 2020** The City Council completed the required Public Hearing and adopted [Ordinance No. 20-26](#) renewing the moratorium for another 6-month period with its current geographic area as previously amended.
- December 1, 2020** The City Council adopted [Ordinance No. 20-29](#), the 2021-22 Biennial Budget. Included in the budget is a \$50,000 one-time appropriation for qualified professional services to perform a Town Center commercial analysis and support the completion of any necessary updates and/or amendments to development regulations within the Mercer Island Town Center to be responsive to the moratorium. The City Council also approved [Resolution No. 1594](#), establishing the 2021 docket for amendments to the Comprehensive Plan and development regulations. Included in the docket is a placeholder for amending the Town Center Sub-Area Plan and corresponding development regulations as necessary to be responsive to the moratorium.
- April 6 and 20, 2021** The City contracted with the firm Community Attributes, Inc. (CAI) to analyze the demand for additional ground floor commercial uses and the feasibility of requiring such uses in new buildings. On April 6, the City Council received a presentation on the findings of this analysis and commenced discussion ([AB 5841 and associated presentation](#)). Further City Council discussion ensued on April 20, and the Council directed staff to complete additional analysis and to research legislative options in addition to a “no net loss” option.
- May 4, 2021** The City Council completed the required Public Hearing and adopted [Ordinance No. 21-09](#) renewing the moratorium for another 6-month period with its current geographic area as previously amended.

- July 6, 2021** Staff presented a number of legislative options to City Council ([AB 5910](#) and [associated presentation](#)). Council provided further direction to review and propose:
- Updates to [MICC 19.11.020\(B\)](#) Retail Use Required Adjacent to Street Frontages;
  - A new TC commercial Floor Area Ratio (FAR) requirement; and
  - The applicability of a new TC “no net loss” requirement.
- September 21, 2021** The City Council directed staff to work with the Planning Commission to develop the necessary code amendments to [MICC 19.11.020\(B\)](#), including updating MICC 19.11.020(B) Figure 2 Retail Use Required Adjacent to Street Frontages; instituting a Town Center Commercial FAR requirement; and adding a selective “No Net Loss” provision ([AB 5933](#) and [associated presentation](#)).
- September 22 and October 20, 2021** Staff presented the necessary code amendments (ZTR21-004) to implement the City Council direction to the Planning Commission for review and comment. (Video recordings: [September 22](#) and [October 20](#))
- November 3, 2021** The Planning Commission completed the required Public Hearing, deliberated the proposed amendments, and voted 5-1 on a recommendation to send to the City Council to not adopt the proposed amendments on November 16. ([Video recording](#))
- November 16, 2021** The City Council adopted [Ordinance No. 21C-27](#), which renews the moratorium for an additional 6-month period with its current geographic area as previously amended ([AB 5976](#)), held the required Public Hearing, and conducted the first reading of Ordinance No. 21C-28 (ZTR21-004) ([AB 5977](#)).
- December 7, 2021** The City Council conducted the second reading of Ordinance No. 21C-28 and remanded the ordinance back to the Planning Commission for a new public hearing and recommendation ([AB 5985](#)).
- January 26, 2022** The Planning Commission participated in a working session to provide comments and questions related to the amendments proposed and direction given by the City Council in preparation for a new public hearing on February 16.
- February 16, 2022** The Planning Commission completed the required Public Hearing, deliberated, and voted 6-0 on a recommendation to the City Council to not adopt the amendments as proposed.



## BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

**AB 6041**  
**March 15, 2022**  
**Regular Business**

### AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 6041: 2022 City Council Planning Session Agenda	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Review and approve the agenda for the 2022 City Council Planning Session.	

<b>DEPARTMENT:</b>	City Manager		
<b>STAFF:</b>	Jessi Bon, City Manager		
<b>COUNCIL LIAISON:</b>	n/a		
<b>EXHIBITS:</b>	1. Draft 2022 City Council Planning Session Agenda		
<b>CITY COUNCIL PRIORITY:</b>	2. Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability.		

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

### SUMMARY

The City Council will hold its annual Planning Session on Saturday, March 26, 2022 from 9:00 AM to 3:00 PM. Staff have conferred with the Mayor and Deputy Mayor and developed a draft agenda for City Council review and approval (Exhibit 1).

### CITY COUNCIL PRIORITIES DISCUSSION

As part of each Planning Session, the City Council reviews and confirms priorities in preparation for the upcoming biennium. The City Council Priorities for 2021-2022 are:

- Priority 1: Prepare for the impacts of growth and change with a continued consideration on environmental sustainability.
- Priority 2: Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability.
- Priority 3: Implement an economic development program.
- Priority 4: Provide emergency response services related to the COVID-19 Pandemic

To help streamline the discussion at the Planning Session, City Council members are encouraged to submit suggestions for 2023-2024 priorities to Executive Assistant to the City Manager Amanda Keverkamp ([Amanda.Keverkamp@mercerisland.gov](mailto:Amanda.Keverkamp@mercerisland.gov)) no later than 5:00 pm on Monday, March 21, 2022. Staff will compile the suggestions and share them with the City Council by 5:00 pm on Wednesday, March 23, 2022.

### **2023-2024 WORK PLAN DEVELOPMENT**

The proposed Planning Session agenda also includes a discussion of potential 2023-2024 work plan items. Staff will be seeking consensus from the City Council on specific work plan items for 2023-2024. Some proposed work plan items may need budget proposals developed in preparation for budget deliberations this fall.

To streamline the discussion at the Planning Session, City Councilmembers should submit proposed 2023-2024 work plan items to Amanda Keverkamp ([Amanda.Keverkamp@mercerisland.gov](mailto:Amanda.Keverkamp@mercerisland.gov)) no later than 5:00 pm on Monday, March 21, 2022. Staff will compile the suggestions and share them with the City Council by 5:00 pm on Wednesday, March 23, 2022. During compilation of proposed work plan items, staff will determine if a budget proposal needs to be developed for any of the proposed items.

To ensure consistency, proposed 2023-2024 work plan items should include the following information:

- General Category (ex. transportation, sustainability, economic development, etc.)
- Title (ex. Ban on sale of non-compostable / recyclable take-out food containers)
- Brief description of the proposed work plan item and an overview of the anticipated scope of work, outcomes, and other relevant information.

### **NEXT STEPS**

Upon approval of the Planning Session agenda, staff will prepare the supporting materials and publish the meeting packet by Friday, March 18, 2022. The compilation of proposed priorities and proposed 2023-2024 work plan items will be added to the City Council Planning Session packet on March 23, 2022.

### **RECOMMENDED ACTION**

Approve the 2022 City Council Planning Session agenda as presented.





# CITY OF MERCER ISLAND

## CITY COUNCIL PLANNING SESSION

SATURDAY, MARCH 26, 2022 9:00 AM – 3:00 PM

### COUNCIL MEMBERS:

Mayor Salim Nice, Deputy Mayor David Rosenbaum,  
Councilmembers: Lisa Anderl, Jake Jacobson,  
Craig Reynolds, Wendy, Weiker, Ted Weinberg

### LOCATION & CONTACT:

Mercer Island City Hall – In-Person and Video Meeting  
9611 SE 36<sup>th</sup> St, Mercer Island, WA 98040  
Phone: 206.275.7793 | [www.mercerisland.gov](http://www.mercerisland.gov)

In compliance with the Americans with Disabilities Act, those requiring accommodation for Council meetings should notify the City Clerk's Office at least 24 hours prior to the meeting at 206.275.7793.

### Hybrid Meeting Notice

The virtual meeting will be held in-person at City Hall as well as broadcast live on [MITV Channel 21](#) and live streamed on the City Council's [YouTube Channel](#)

**Registering to Speak for Appearances:** Individuals wishing to speak live during Appearances (public comment period) must register with the City Clerk at 206.275.7793 or [cityclerk@mercerisland.gov](mailto:cityclerk@mercerisland.gov) before 4 PM on Friday, March 25.

Please reference "Appearances" on your correspondence and state if you would like to speak on camera and staff will be prepared to permit temporary video access when you enter the live Council meeting. Please remember to activate the video option on your phone or computer, ensure your room is well lit, and kindly ensure that your background is appropriate for all audience ages. Screen sharing will not be permitted, but documents may be emailed to [council@mercerisland.gov](mailto:council@mercerisland.gov).

Each speaker will be allowed three (3) minutes to speak. A timer will be visible online to speakers, City Council, and meeting participants. Please be advised that there is a time delay between the Zoom broadcast and the YouTube or Channel 21 broadcast.

**Join by Telephone at 9:00 AM:** To listen to the meeting via telephone, please call **253.215.8782** and enter Webinar ID **819 7131 2997** and Password **730224** if prompted.

**Join by Internet at 9:00 AM:** To watch the meeting over the internet via your computer, follow these steps:

- 1) Click [this link](#)
- 2) If the Zoom app is not installed on your computer, you will be prompted to download it.
- 3) If prompted for Webinar ID, enter **819 7131 2997**; Enter Password **730224**

**Submitting Written Comments:** Written comments may be submitted at the Mercer Island [Let's Talk Council Connects](#) page. Written comments received by 3 PM on the day before the meeting will be forwarded to all Councilmembers and a brief summary of the comments will be included in the minutes of the meeting.

## 2022 PLANNING SESSION AGENDA

### CALL TO ORDER & ROLL CALL (9:00 am)

### PUBLIC COMMENT

The City Council will receive public comment related to the Planning Session agenda items only. Individuals wishing to speak, must register with the City Clerk by 4:00 pm on Friday, March 25. Comments are limited to three minutes and Appearances will be limited to three minutes.

**PLANNING SESSION BUSINESS**

- 9:30 am **AB xxxx: Review and Update City Council Priorities**
- Provide a focus and framework for the 2023-2024 Biennium
  - Consider nexus to Legislative Priorities
- 10:30 am Break
- 10:45 am **AB xxxx: Work Plan**
- Brief update on the 2021-2022 Work Plan
  - Discuss and prioritize 2023-2024 Work Plan
- 12:00 pm Lunch\*
- 1:00 pm **AB xxxx: Work Plan (cont.)**
- Continue discussion of proposed work plan items
  - Review identified budget proposals
  - Confirm direction
- 1:30 pm **AB xxxx: Review City Council Rules of Procedure**
- 2:30 pm **AB xxxx: Community Member of the Year**

**ADJOURNMENT (3:00 pm)**

\*Lunch will be provided for those attending in-person.



# 2022 PLANNING SCHEDULE

Item 11.

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

NOTE - Regular Meetings begin at 5:00 pm from June 16, 2020, through December 31, 2022. Items are not listed in any particular order. Agenda items & meeting dates are subject to change.

MARCH 15, 2022		DD	FN	CA	Clerk	CM
ABSENCES:		3/4	3/7	3/7	3/8	3/8
ITEM TYPE   TIME   TOPIC					STAFF	
<b>EXECUTIVE SESSION</b>						
60	Executive Session to discuss with legal counsel pending or potential litigation pursuant to RCW 42.30.110(1)(i) and for planning or adopting the strategy or position to be taken by the City Council during the course of any collective bargaining, professional negotiations, or grievance or mediation proceedings, or reviewing the proposals made in the negotiations or proceedings while in progress pursuant to RCW 42.30.140(4)(b) for approximately 60 minutes.					
<b>STUDY SESSION</b>						
60	AB 6037: Island Crest Way Corridor Safety Study – Recommendations & Prioritization			Jason Kintner/Patrick Yamashita/Lia Klein		
<b>SPECIAL BUSINESS</b>						
30	AB 6038: 2020 Financial, Single, and Accountability Audit Exit Conference			LaJuan Tuttle/SAO Staff		
<b>CONSENT AGENDA</b>						
--	AB 6035: February 25, 2022 Payroll Certification			Ali Spietz		
--	AB 6026: 2019 Arterial and Residential Street Overlays Project Closeout			Jason Kintner/Clint Morris		
--	AB 6027: 2020 Arterial and Residential Street Overlays Project Closeout			Jason Kintner/Clint Morris		
<b>REGULAR BUSINESS</b>						
45	AB 6040: Comprehensive Plan 2024 Periodic Update: Scope / Schedule / Public Participation Plan (Resolution No. 1621)			Jeff Thomas/Adam Zack		
45	AB 6036: Town Center Code Amendments (Third Reading)			Jeff Thomas/Sarah Bluvas		
30	AB 6041: 2022 City Council Planning Session Agenda			Jessi Bon		

MARCH 26, 2022 – PLANNING SESSION (8:30 AM-5:00 PM)		DD	FN	CA	Clerk	CM
ABSENCES:		3/14	3/16	3/16	3/17	3/17
	TBD					

APRIL 5, 2022		DD	FN	CA	Clerk	CM
ABSENCES:		3/25	3/28	3/28	3/29	3/29
ITEM TYPE   TIME   TOPIC					STAFF	
<b>STUDY SESSION</b>						
60	AB xxxx: Town Center Parking Study Presentation 1 (Project kick-off, review of stakeholder engagement plan) <b>TENTATIVE</b>			Sarah Bluvas/Jason Kintner/ Jeff Thomas/Ed Holmes		
<b>SPECIAL BUSINESS</b>						
<b>CONSENT AGENDA</b>						
--	AB 6039: March 11, 2022 Payroll Certification			Ali Spietz		
--	AB xxxx: Sexual Assault Awareness Month, Proclamation No. xxx			Mayor Nice/Andrea Larson		

--	AB xxxx: 2020 WMW Pedestrian Crossings Project Closeout	Jason Kintner/Clint Morris
--	AB xxxx: 2021 Arterial and Residential Street Overlays Project Closeout	Jason Kintner/Clint Morris
--	AB xxxx: 2021 EMW Landslide Repair Project Closeout	Jason Kintner/Clint Morris
--	AB xxxx: ARCH Housing Trust Fund Project Approval	Jeff Thomas/Alison Van Gorp
--	AB xxxx: Resolutions to Apply for RCO ALEA and LWCF grant funding programs for Luther Burbank Docks and Waterfront	Jason Kintner/Paul West
--	AB xxxx: Resolution to Apply for Washington State Historical Society Heritage Capital Funding for Boiler Building Phase 1 project	Jason Kintner/Paul West
<b>REGULAR BUSINESS</b>		
30	AB xxxx: ADA Transition Plan Adoption	Jason Kintner/Patrick Yamashita/Lia Klein
15	AB 6034: Stryker Motorized Stretchers Purchase	Jeff Clark/Doug McDonald
20	AB 6042: COVID-19 Utility Bill Relief Grant Program Approval	Merrill Thomas-Schadt/LaJuan Tuttle
<b>EXECUTIVE SESSION</b>		

APRIL 19, 2022		DD	FN	CA	Clerk	CM
ABSENCES:		4/8	4/11	4/11	4/12	4/12
ITEM TYPE   TIME   TOPIC				STAFF		
<b>STUDY SESSION</b>						
45	AB: xxxx: Climate Action Plan – Goals and Actions			Jason Kintner/Ross Freeman		
<b>SPECIAL BUSINESS</b>						
<b>CONSENT AGENDA</b>						
--	AB xxxx: 2022 Water System Improvements (Madrona Crest East) Bid Award			Jason Kintner/Rona Lin		
--	AB xxxx: Earth Day/Week Proclamation			Jason Kintner/Ross Freeman		
--	AB xxxx: City Hall Lobby Renovation Bid Award			Jason Kintner/Jaime Page		
<b>REGULAR BUSINESS</b>						
30	AB xxxx: Review and Approve the 2022-2023 City Council Priorities and Confirm Work Plan (Tentative)			Jessi Bon		
15	AB xxxx: City Council Rules of Procedure Amendments (Res. No. xxxx) (Tentative)			Jessi Bon/Andrea Larson		
45	AB xxxx: Island Crest Way Corridor Safety Study – Recommendations & Prioritization			Jason Kintner/Patrick Yamashita/Lia Klein		
30	AB xxxx: Interlocal Agreement with the Mercer Island School District for Field Maintenance (Tentative)			Jason Kintner		
30	AB xxxx: Fiscal Year 2021 Year-End Financial Status Update			Matt Mornick/ Ben Schumacher		
30	AB xxxx: Luther Burbank Park Boiler Building Heritage Capital Grant Resolution			Jason Kintner/Paul West		
30	AB xxxx Special Event Sponsorship Policy (Tentative)			Ryan Daly/Katie Herzog		
15	AB xxxx: Check-in on Community Conversations Series			Jessi Bon/Robin Li		
<b>EXECUTIVE SESSION</b>						

<b>APRIL 21, 2022 (SPECIAL MEETING) 5:00 PM</b>				<b>DD</b>	<b>FN</b>	<b>CA</b>	<b>Clerk</b>
ABSENCES:							
<b>JOINT MEETING WITH MERCER ISLAND SCHOOL BOARD</b>							

<b>MAY 3, 2022</b>				<b>DD</b>	<b>FN</b>	<b>CA</b>	<b>Clerk</b>	<b>CM</b>
ABSENCES:				<b>4/22</b>	<b>4/25</b>	<b>4/25</b>	<b>4/26</b>	<b>4/26</b>
<b>ITEM TYPE   TIME   TOPIC</b>						<b>STAFF</b>		
<b>STUDY SESSION</b>								
<b>SPECIAL BUSINESS</b>								
<b>CONSENT AGENDA</b>								
--	AB xxxx: Affordable Housing Week, Proclamation No. xxx					Mayor Nice/Andrea Larson/Alison Van Gorp		
--	AB xxxx: 77th Ave SE & Sunset Hwy Intersection Improvements Bid Award					Jason Kintner/Lia Klein		
--	AB xxxx: Luther Burbank Park Tennis Courts – Budget amendment					Jason Kintner/Paul West		
--	AB xxxx: 2022 Arterial and Residential Street Overlays Bid Award					Jason Kintner/Clint Morris		
--	AB xxxx: Accept Easements for Stormwater Capital Projects					Jason Kintner/Patrick Yamashita/Fred Gu		
<b>REGULAR BUSINESS</b>								
45	AB xxxx: 2023-2028 Six-Year Transportation Improvement Program (TIP) Review (public hearing)					Matt Mornick/Patrick Yamashita		
45	AB xxxx: Permit Types and Noticing Code Amendments (First Reading)					Jeff Thomas/Alison Van Gorp/Adam Zack		
15	AB xxxx: Healthy Youth Initiative Update					Ali Spietz/Tambi Cork		
10	AB xxxx: PSRC General Assembly Voting Delegate					Mayor Nice/Andrea Larson		
<b>EXECUTIVE SESSION</b>								

<b>MAY 17, 2022</b>				<b>DD</b>	<b>FN</b>	<b>CA</b>	<b>Clerk</b>	<b>CM</b>
ABSENCES:				<b>5/6</b>	<b>5/9</b>	<b>5/9</b>	<b>5/10</b>	<b>5/10</b>
<b>ITEM TYPE   TIME   TOPIC</b>						<b>STAFF</b>		
<b>STUDY SESSION</b>								
<b>SPECIAL BUSINESS</b>								
<b>CONSENT AGENDA</b>								
--	AB xxxx: EMW 5400 to 6000 Blocks Water System Improvements Project Closeout					Jason Kintner/Rona Lin		
--	AB xxxx: 2020 Water System Improvements (SE 34th St & 78th Ave SE) Project Closeout					Jason Kintner/Rona Lin		
--	AB xxxx: 2021 Water System Improvements (82nd Ave SE & SE 24th St) Project Closeout					Jason Kintner/Rona Lin		
<b>REGULAR BUSINESS</b>								
30	AB xxxx: First Quarter 2022 Financial Status Update & 2021-2022 Budget Amendments					Matt Mornick/Ben Schumacher		

30	AB xxxx: Arts Council Presentation	Jason Kintner/Ryan Daly/Sarah Bluvas
30	AB xxxx: Transportation Impact Fee Rate Update (First Reading) <b>(Tentative)</b>	Jeff Thomas/Alison Van Gorp
30	AB xxxx: Parks Impact Fee Rate Update (First Reading) <b>(Tentative)</b>	Jeff Thomas/Alison Van Gorp
<b>EXECUTIVE SESSION</b>		

<b>JUNE 7, 2022</b>		<b>DD</b>	<b>FN</b>	<b>CA</b>	<b>Clerk</b>	<b>CM</b>
ABSENCES:		<b>5/27</b>	<b>5/30</b>	<b>5/30</b>	<b>5/31</b>	<b>5/31</b>
<b>ITEM TYPE   TIME   TOPIC</b>				<b>STAFF</b>		
<b>STUDY SESSION</b>						
30	AB xxxx: ARCH Briefing <b>(Tentative)</b>	Jeff Thomas/Alison Van Gorp				
30	AB xxxx: Housing Needs Assessment Briefing <b>(Tentative)</b>	Jeff Thomas/Alison Van Gorp/Adam Zack				
<b>SPECIAL BUSINESS</b>						
<b>CONSENT AGENDA</b>						
--	AB xxxx: Transportation Impact Fee Rate Update (Second Reading)	Jeff Thomas/Alison Van Gorp				
--	AB xxxx: Parks Impact Fee Rate Update (Second Reading)	Jeff Thomas/Alison Van Gorp				
--	AB xxxx: Resolution Authorizing Grant Application(s) to RCO for Luther Burbank Park Waterfront improvements	Jason Kintner/Paul West				
--	AB xxxx: Water Meter Replacement Program Bid Award	Jason Kintner/Allen Hunter				
<b>REGULAR BUSINESS</b>						
30	AB xxxx: 2022 Board & Commission Annual Appointments (Resolution No. xxxx)	Mayor Nice/Deputy Mayor Rosenbaum/Andrea Larson				
45	AB xxxx: 2022 Community Survey Results <b>(tentative)</b>	Ali Spietz/Mason Luvera				
15	AB xxxx: Adoption of 2023-2028 Six-Year Transportation Improvement Program (Public Hearing continued from May 3 Meeting and Adoption).	Jason Kintner/Patrick Yamashita				
30	AB xxxx: Permit Types and Noticing Code Amendments (Second Reading)	Jeff Thomas/Alison Van Gorp/Adam Zack				
<b>EXECUTIVE SESSION</b>						

<b>JUNE 21, 2022</b>		<b>DD</b>	<b>FN</b>	<b>CA</b>	<b>Clerk</b>	<b>CM</b>
ABSENCES:		<b>6/10</b>	<b>6/13</b>	<b>6/13</b>	<b>6/14</b>	<b>6/14</b>
<b>ITEM TYPE   TIME   TOPIC</b>				<b>STAFF</b>		
<b>STUDY SESSION</b>						
60	AB xxxx: YFS School-Based Programming Update	Ali Spietz/Tambi Cork				
<b>SPECIAL BUSINESS</b>						
<b>CONSENT AGENDA</b>						
--	Interlocal Agreement with MISD for School Mental Health Counselors	Ali Spietz/Tambi Cork				
<b>REGULAR BUSINESS</b>						

Item 11.

60	AB xxxx: Town Center Parking Study Presentation 2 (Check-in, potential review of Parking Supply and Demand Analysis; <b>Tentative – July 19 as alternate</b> )	Sarah Bluvas/Jason Kint Jeff Thomas/Ed Holmes
45	AB xxxx: State Mandated Code Amendments (First Reading)	Jeff Thomas/Alison Van Gorp/Eileen Kieffer
<b>EXECUTIVE SESSION</b>		