



CITY OF MERCER ISLAND **REVISED – 2nd Edition**

CITY COUNCIL REGULAR VIDEO MEETING

Tuesday, November 17, 2020 at 5:00 PM

COUNCIL MEMBERS:

Mayor Benson Wong, Deputy Mayor Wendy Weiker,
Councilmembers: Lisa Anderl, Jake Jacobson,
Salim Nice, Craig Reynolds, David Rosenbaum

LOCATION & CONTACT:

Mercer Island City Hall - Council Chambers
9611 SE 36th Street | Mercer Island, WA 98040
Phone: 206.275.7793 | 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.

EXECUTIVE SESSION, 5:00 PM

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. No action to be taken.

ADJOURNMENT

Virtual Meeting Notice

The virtual meeting will be broadcast live on [MITV Channel 21](#) and live streamed on the City Council's [YouTube Channel](#)

Registering to Speak: Individuals wishing to speak live during Appearances or during the Public Hearing will need to register their request with the City Clerk at 206.275.7793 or email the [City Clerk](#) and leave a message before 4 PM on the day of the Council meeting. Please reference "Appearances" or "Public Hearing" on your correspondence. Each speaker will be allowed three (3) minutes to speak.

Public Appearances/Public Hearing by Video: Notify the [City Clerk](#) in advance that you wish 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](#).

Join by Telephone at 6:00 PM: To listen to the meeting via telephone, please call **253.215.8782** and enter Webinar ID **878 9160 5154** and Password **851646** when prompted.

Join by Internet at 6:00 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 **878 9160 5154**; Enter Password **851646**
- 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.

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.

CALL TO ORDER & ROLL CALL, 6:00 PM

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

CITY MANAGER REPORT

APPEARANCES

CONSENT CALENDAR

1. Approve Accounts Payable Reports for the periods ending:
 - A. October 30, 2020 in the amount of \$582,147.69
 - B. November 6, 2020 in the amount of \$689,934.39
2. Certification of Payroll dated November 6, 2020 in the amount of \$700,561.49
3. AB 5773: 2021 Legislative Priorities
Recommended Action: Adopt the 2021 State Legislative Priorities.
4. AB 5783: Native American Heritage Month Proclamation No. 259
Recommended Action: Proclaim the month of November as Native American Heritage Awareness Month in the City of Mercer Island.

REGULAR BUSINESS

5. AB 5779: **Public Hearing:** Town Center Moratorium Renewal
Recommended Actions:
 - A. Conduct a **Public Hearing** and consider public testimony on Ordinance No. 20-26.
 - B. Suspend the City Council Rules of Procedure 6.3, requiring a second reading of an ordinance.
 - C. **Adopt Ordinance 20-26** as presented extending the Town Center moratorium for another 6-months.
6. AB 5777: **Public Hearing:** 2021 Property Tax Levy and Rates for the Water Utility, Sewer Utility, Stormwater Utility, and EMS Utility (**Refer to Item No. 10**)
7. AB 5777: **Public Hearing:** 2nd and Final Public Hearing: 2021-2022 Biennial Budget (**Refer to Item No. 10**)
8. AB 5780: ARCH 2021 Work Plan and Budget Approval
Recommended Actions:
 - A. Approve the ARCH 2021 Work Plan, allocate \$50,222 for the 2021 ARCH Administrative Budget, and allocate \$51,729 as a placeholder for the 2022 ARCH Administrative Budget.
 - B. Allocate [\$50,000] annually to the ARCH Housing Trust Fund for 2021 and 2022.
9. AB 5776: Q3 2020 Financial Status Update and Budget Amending Ordinance No. 20-25
Recommended Actions:
 - A. Suspend the City Council Rules of Procedure 6.3, requiring a second reading for an ordinance.
 - B. Adopt **Ordinance No. 20-25**, amending the 2019-2020 Biennial Budget.
10. AB 5777: Resolution of Substantial Need; NORCOM and Utility Rate Resolutions; 2021 Property Tax Ordinances; and Second Public Hearing: 2021-2022 Biennial Budget. (**Note – Both public hearings will be held earlier in the meeting under Item 6 and 7**)
Recommended Actions:
 1. Approve **Resolution No. 1587**, declaring a finding of “substantial need” and setting the 2021 Property Tax levy limit at 101%.
 2. Suspend the City Council Rules of Procedure 6.3, requiring a second reading for an ordinance.
 3. Adopt **Ordinance No. 20-22**, appropriating funds and establishing the amount of Property Taxes to be levied for fiscal year 2021.
 4. Adopt **Ordinance No. 20-23**, establishing the dollar amount and percentage increases of the regular Property Tax levy and the levy lid lifts for fiscal year 2021.
 5. Allocate \$30,000 of unassigned General Fund Balance to complete the Housing Needs Assessment as part of the 2021-2022 budget.
 6. Approve the following utility rates:
 - a. Approve **Resolution No. 1588**, establishing classifications of water users and a schedule of charges for water usage, a schedule of rates for fire service, a schedule of special service charges, meter and service installation charges, and connection charges effective January 1, 2021 and thereafter.

- b. Approve **Resolution No. 1589**, establishing rates and connection charges for sewage disposal services provided by the City of Mercer Island effective January 1, 2021 and thereafter.
- c. Approve **Resolution No. 1590**, establishing the bi-monthly service charge for storm and surface water services provided by the City of Mercer Island effective January 1, 2021 and thereafter.
- d. Approve **Resolution No. 1591**, establishing the bi-monthly utility fee for the emergency medical and ambulance services supplied by the City of Mercer Island effective January 1, 2021 and thereafter.

7. Approve **Resolution No. 1592**, approving NORCOM's 2021 budget allocation to the City of Mercer Island.

11. AB 5781: Adjusting Development & Construction Permit Fees - **Resolution No. 1593**

Recommended Action: Approve Resolution No. 1593 adopting new development and construction permit fees effective January 1, 2021.

12. AB 5778: Thrift Shop and Recycling Center Remodel Project

Recommended Action: No formal recommendation.

OTHER BUSINESS

13. Planning Schedule

14. Councilmember Absences & Reports

ADJOURNMENT

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	205281-205401	10/30/2020	\$582,147.69 \$ 582,147.69

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: 001000 - General Fund-Admin Key</i>				
P0109110	00205359	Monahan, John	Refund for drop-in sports	113.40
P0109134	00205365	Nishiguichi, Norio	Refund for drop-in sports memb	90.28
P0109112	00205364	Niemann, Brett	Refund for fitness room member	83.52
P0109118	00205380	Shafer, Mark	Refund for fitness room member	83.52
P0109113	00205356	Mage, Colleen	Refund for fitness room member	80.04
P0102958	00205342	KING CO PROSECUTING ATTORNEY	2019 COURT REMITTANCE KC CRIME	71.34
P0109119	00205319	Evans, Martin	Refund for drop-in sports memb	62.88
P0109117	00205372	Podradchik, Steve	Refund for fitness room member	62.64
P0109116	00205377	Scannell, Erin	Refund for fitness room member	62.64
P0109111	00205382	Skov, Maretta	Refund for fitness room member	62.64
P0109115	00205340	Kaseman, Jay	Refund for fitness room member	60.26
P0109123	00205327	Gregov, Erin	Refund for drop-in sports memb	58.56
P0109135	00205339	Jones, Lynette	Refund for drop-in sports memb	58.56
P0109133	00205366	Norton, Brad	Refund for drop-in sports memb	58.56
P0109127	00205368	Odea, Fiachra	Refund for drop-in sports memb	58.56
P0109129	00205388	Tran, Lam	Refund for drop-in sports memb	58.56
P0109130	00205396	Wan, Wendian	Refund for drop-in sports memb	58.56
P0109159	00205297	BUCHANAN, FRANK	Refund for fitness room member	57.64
P0109125	00205332	Haugen, Jeff	Refund for drop-in sports memb	53.68
P0109136	00205357	McKay, Randy	Refund for drop-in sports memb	53.68
P0109122	00205375	Renhard, Paul	Refund for drop-in sports memb	53.68
P0109121	00205385	Suzuki, Norm	Refund for drop-in sports memb	53.00
P0109124	00205349	Lehmann, Fran	Refund for drop-in sports memb	51.24
P0109132	00205295	Brotherton, Al	Refund for drop-in sports memb	48.80
P0109128	00205355	Mack, Jimmy	Refund for drop-in sports memb	48.80
P0109126	00205311	Des Brisay, Thomas	Refund for drop-in sports memb	43.92
P0109131	00205360	Morrison, Pat	Refund for drop-in sports memb	43.92
P0109108	00205381	Shi, Ming	Refund for drop-in sports memb	42.40
P0109114	00205348	Lee, Nancy	Refund for fitness room member	41.92
P0109137	00205352	Liu, Vincent	Refund for drop-in sports memb	41.48
P0109109	00205401	White, Martha	Refund for drop-in sports memb	40.80
P0109160	00205326	GORSKI, MARY ANN	Refund for fitness room member	39.30
P0109120	00205313	Dierickx, Marilyn	Refund for drop-in sports memb	34.20
P0109158	00205324	GONZALES, ANJANETTE	Refund for drop-in sports memb	34.06
<i>Org Key: 402000 - Water Fund-Admin Key</i>				
P0109015	00205328	H D FOWLER	INVENTORY PURCHASES	4,989.72
P0108655	00205395	WALTER E NELSON CO	INVENTORY PURCHASES	176.48
P0109004	00205395	WALTER E NELSON CO	INVENTORY PURCHASES	88.24
<i>Org Key: CA1100 - Administration (CA)</i>				
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	25.00
<i>Org Key: CM1100 - Administration (CM)</i>				
P0109176	00205318	Emily Moon, Consultant	Fire Service Study Finalizatio	9,250.00
<i>Org Key: CM1300 - Sustainability</i>				
P0108836	00205341	KC FINANCE	K4C 2020 Annual Contribution	1,200.00
<i>Org Key: CO6100 - City Council</i>				
P0109177	00205307	DANIEL, KAMARIA	MITV 10/6 Council Meeting	330.00

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0109177	00205307	DANIEL, KAMARIA	MITV 10/13 Council Meeting	300.00
P0109177	00205307	DANIEL, KAMARIA	MITV 10/20 Council Meeting	300.00
P0109177	00205307	DANIEL, KAMARIA	Transportation Fee	120.00
<i>Org Key: CR1100 - Human Resources</i>				
	00205336	HONG, JESSICA	Continuing Education Books	247.66
	00205281	US BANK CORP PAYMENT SYS	Recruitment advertising.	200.00
	00205281	US BANK CORP PAYMENT SYS	Lunches for PD hiring oral boa	134.22
	00205281	US BANK CORP PAYMENT SYS	Lunches for PD hiring oral boa	133.67
	00205281	US BANK CORP PAYMENT SYS	Lunches for PD hiring oral boa	126.00
	00205281	US BANK CORP PAYMENT SYS	Refreshments for PD oral board	59.40
	00205281	US BANK CORP PAYMENT SYS	Office supplies	48.39
P0109211	00205389	Travelers	Notary insurance for civil ser	40.00
P0109211	00205389	Travelers	Notary insurance for civil ser	40.00
<i>Org Key: CT1100 - Municipal Court</i>				
P0109205	00205314	DMCMA	DMCMA - annual membership	150.00
<i>Org Key: DS0000 - Development Services-Revenue</i>				
	00205292	BEL-RED ENERGY SOLUTIONS	Refund Permit Fee	134.40
	00205397	WASHINGTON ENERGY SRVS CO LLC	Refund Permit Fee	134.40
	00205292	BEL-RED ENERGY SOLUTIONS	PERMIT NOT NEEDED	4.03
	00205397	WASHINGTON ENERGY SRVS CO LLC	NOT NEEDED AT THIS TIME	4.03
<i>Org Key: DS1100 - Administration (DS)</i>				
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	85.86
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	80.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	80.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	80.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	80.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	54.10
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	43.99
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	43.88
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	24.33
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	17.95
<i>Org Key: FN1100 - Administration (FN)</i>				
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	295.00
<i>Org Key: FN4501 - Utility Billing (Water)</i>				
P0108953	00205358	METROPRESORT	5000 STATEMENT SHEETS FOR IN H	217.34
P0108952	00205358	METROPRESORT	5000 RED REMINDER NOTICES FOR	110.66
P0109207	00205358	METROPRESORT	OCT 2020 PRINTING & MAILING OF	78.22
P0109207	00205358	METROPRESORT	OCT 2020 PRINTING & MAILING OF	71.92
<i>Org Key: FN4502 - Utility Billing (Sewer)</i>				
P0108953	00205358	METROPRESORT	5000 STATEMENT SHEETS FOR IN H	217.33
P0108952	00205358	METROPRESORT	5000 RED REMINDER NOTICES FOR	110.66
P0109207	00205358	METROPRESORT	OCT 2020 PRINTING & MAILING OF	78.22
P0109207	00205358	METROPRESORT	OCT 2020 PRINTING & MAILING OF	71.92
<i>Org Key: FN4503 - Utility Billing (Storm)</i>				
P0108953	00205358	METROPRESORT	5000 STATEMENT SHEETS FOR IN H	217.33

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0108952	00205358	METROPRESORT	5000 RED REMINDER NOTICES FOR	110.68
P0109207	00205358	METROPRESORT	OCT 2020 PRINTING & MAILING OF	78.23
P0109207	00205358	METROPRESORT	OCT 2020 PRINTING & MAILING OF	71.92
<i>Org Key: FR1100 - Administration (FR)</i>				
P0109234	00205386	SYSTEMS DESIGN WEST LLC	Transport Billing Fees 09/2020	1,093.10
P0109225	00205363	NFPA	NFPA Renewal	175.00
P0109222	00205303	COMCAST	Internet Charges/Fire	120.20
	00205281	US BANK CORP PAYMENT SYS	Faucet - Station 191	112.62
P0109221	00205303	COMCAST	Internet Charges/Fire	100.25
	00205281	US BANK CORP PAYMENT SYS	Household Cleaning Supplies	43.99
	00205281	US BANK CORP PAYMENT SYS	Coat Rack - South Station	28.59
	00205281	US BANK CORP PAYMENT SYS	Crack Sealer	25.80
	00205281	US BANK CORP PAYMENT SYS	Shoe Supplies	17.03
	00205281	US BANK CORP PAYMENT SYS	Amazon Prime Membership	14.29
P0109220	00205303	COMCAST	Internet Charges/Fire	11.43
	00205281	US BANK CORP PAYMENT SYS	Department Stamps	11.00
	00205281	US BANK CORP PAYMENT SYS	Shoe Supplies	7.69
<i>Org Key: FR2100 - Fire Operations</i>				
P0109233	00205316	EASTSIDE FIRE & RESCUE	Labor - 8614	1,416.80
P0109233	00205316	EASTSIDE FIRE & RESCUE	Parts - 8614	71.52
P0109226	00205288	AT&T MOBILITY	Cell Charges/Fire	46.46
	00205281	US BANK CORP PAYMENT SYS	DEF Fluid	24.18
P0109175	00205391	VERIZON WIRELESS	Verizon Oct.20 - Fire	16.73
	00205281	US BANK CORP PAYMENT SYS	Ship Radios for Repair	14.47
	00205281	US BANK CORP PAYMENT SYS	Ship Radios for Repair	6.90
<i>Org Key: FR2500 - Fire Emergency Medical Svcs</i>				
P0109224	00205384	STERICYCLE INC	Haz Waste Pickup	98.32
P0109223	00205284	AIRGAS USA LLC	Oxygen/Fire	24.64
<i>Org Key: FR4100 - Training</i>				
	00205281	US BANK CORP PAYMENT SYS	Smoke Machine Supplies	140.73
	00205281	US BANK CORP PAYMENT SYS	Fire Sim Lab	20.00
<i>Org Key: GGM001 - General Government-Misc</i>				
P0109174	00205302	COMCAST	0060573 - Sept/Oct 20	242.88
<i>Org Key: GGM004 - Gen Govt-Office Support</i>				
P0109228	00205304	CONFIDENTIAL DATA DISPOSAL	City Shredding Service (6/30/2	190.00
P0109228	00205304	CONFIDENTIAL DATA DISPOSAL	City Shredding service (8/26/2	170.00
<i>Org Key: GGM005 - Genera Govt-L1 Retiree Costs</i>				
	00205351	LEOFF HEALTH & WELFARE TRUST	POLICE RETIREES	6,289.00
	00205350	LEOFF HEALTH & WELFARE TRUST	FIRE RETIREES	3,144.50
	00205334	HILTNER, PETER	LEOFF1 Medicare Reimb	556.00
	00205306	COOPER, ROBERT	Quarterly Fire Medicare Reimb.	433.80
	00205383	SMITH, RICHARD	LEOFF1 Medicare Reimb	231.70
	00205291	BARNES, WILLIAM	LEOFF1 Medicare Reimb	222.40
	00205309	DEEDS, EDWARD G	LEOFF1 Medicare Reimb	222.40
	00205378	SCHOENTRUP, WILLIAM	LEOFF1 Medicare Reimb	222.40
	00205325	GOODMAN, J C	LEOFF1 Medicare Reimb	211.90

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00205354	LYONS, STEVEN	LEOFF1 Medicare Reimb	199.90
	00205387	THOMPSON, JAMES	LEOFF1 Medicare Reimb	196.40
	00205400	WHEELER, DENNIS	LEOFF1 Medicare Reimb	181.70
	00205312	DEVENY, JAN P	LEOFF1 Medicare Reimb	177.20
	00205346	KUHN, DAVID	LEOFF1 Medicare Reimb	177.20
	00205294	BOOTH, GLENDON D	LEOFF1 Medicare Reimb	177.10
	00205317	ELSOE, RONALD	LEOFF1 Medicare Reimb	176.70
	00205289	AUGUSTSON, THOR	LEOFF1 Medicare Reimb	175.90
	00205298	CALLAGHAN, MICHAEL	LEOFF1 Medicare Reimb	175.90
	00205362	MYERS, JAMES S	LEOFF1 Medicare Reimb	175.90
	00205283	ADAMS, RONALD E	LEOFF1 Medicare Reimb	175.60
	00205315	DOWD, PAUL	LEOFF1 Medicare Reimb	173.10
	00205394	WALLACE, THOMAS	LEOFF1 Medicare Reimb	170.10
	00205282	ABBOTT, RICHARD	LEOFF1 Medicare Reimb	165.50
	00205338	JOHNSON, CURTIS	LEOFF1 Medicare Reimb	163.70
	00205376	RUCKER, MANORD J	LEOFF1 Medicare Reimb	162.90
	00205330	HAGSTROM, JAMES	LEOFF1 Medicare Reimb	158.80
	00205353	LOISEAU, LERI M	LEOFF1 Medicare Reimb	157.80
	00205322	FORSMAN, LOWELL	LEOFF1 Medicare Reimb	144.60
	00205398	WEGNER, KEN	LEOFF1 Medicare Reimb	144.60
	00205374	RAMSAY, JON	LEOFF1 Medicare Reimb	136.20
Org Key: GGM100 - Emerg Incident Response				
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	2,525.00
	00205281	US BANK CORP PAYMENT SYS	Computer Supplies	1,199.77
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	174.84
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	148.46
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	77.09
Org Key: GGM606 - Excess Retirement-Fire				
	00205291	BARNES, WILLIAM	LEOFF1 Excess Benefit	1,932.13
	00205306	COOPER, ROBERT	LEOFF1 Excess Benefit	1,890.52
	00205338	JOHNSON, CURTIS	LEOFF1 Excess Benefit	1,065.12
	00205378	SCHOENTRUP, WILLIAM	LEOFF1 Excess Benefit	988.66
	00205374	RAMSAY, JON	LEOFF1 Excess Benefit	574.01
Org Key: GX9996 - Employee Benefits-Police				
	00205351	LEOFF HEALTH & WELFARE TRUST	POLICE	47,026.46
	00205351	LEOFF HEALTH & WELFARE TRUST	POLICE SUPPORT	5,477.75
Org Key: GX9997 - Employee Benefits-Fire				
	00205350	LEOFF HEALTH & WELFARE TRUST	FIRE ACTIVE	50,563.66
	00205351	LEOFF HEALTH & WELFARE TRUST	BILLING ADJUSTMENTS	0.03
Org Key: IS2100 - IGS Network Administration				
P0107116	00205343	KING COUNTY FINANCE	I-NET MONTHLY SERVICES FROM	2,244.00
P0109019	00205299	CDW GOVERNMENT INC	20 Licenses Meraki MDM	533.72
	00205281	US BANK CORP PAYMENT SYS	Services - Software Maint/Supt	239.80
	00205281	US BANK CORP PAYMENT SYS	Computer Supplies	77.00
	00205281	US BANK CORP PAYMENT SYS	Tuition & Registrations	35.00
	00205281	US BANK CORP PAYMENT SYS	Professional Services	23.24
	00205281	US BANK CORP PAYMENT SYS	Professional Services	13.20

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00205281	US BANK CORP PAYMENT SYS	Professional Services	13.20
	00205281	US BANK CORP PAYMENT SYS	Professional Services	12.10
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	6.48
<i>Org Key: MT2100 - Roadway Maintenance</i>				
P0109001	00205300	CESSCO INC	SHARPEN HEDGETRIMMER BLADES	164.84
P0109157	00205323	GEMPLER'S INC	SUMMER WEIGHT CHAIN SAW PANTS	127.59
<i>Org Key: MT3100 - Water Distribution</i>				
P0106533	00205293	BOLLES CONSTRUCTION INC	EXCAVATION ON CALL	3,839.00
P0109009	00205321	FERGUSON ENTERPRISES LLC	2" WATTS DOUBLE CHECK VALVE	554.13
P0109162	00205328	H D FOWLER	CORP CAPS	462.66
P0106556	00205390	US Bank Redmond	RETAINAGE FOR P0106533	174.50
<i>Org Key: MT3150 - Water Quality Event</i>				
P0109027	00205329	HACH COMPANY	DPD FREE CHLORINE 10ML, 100 PK	778.68
P0109027	00205329	HACH COMPANY	SPEC COLOR STANDARD, LOW RANGE	217.80
P0109027	00205329	HACH COMPANY	SPADNS2 (ARSENIC FREE) FLUORID	90.97
P0109027	00205329	HACH COMPANY	FERROVER IRON REAGENT 10ML, 10	90.59
P0109027	00205329	HACH COMPANY	SINGLET COMBO, PH 4.01 & 7.0,	89.08
P0109027	00205329	HACH COMPANY	SINGLET PH 10.01 BUFFER SOLUTI	45.27
P0109027	00205329	HACH COMPANY	ACCUVAC SNAPPER	22.43
<i>Org Key: MT3500 - Sewer Pumps</i>				
P0108303	00205300	CESSCO INC	REPAIR TWO CHAINSAWS	237.59
<i>Org Key: MT4150 - Support Services - Clearing</i>				
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	1,200.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	100.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	32.27
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	16.48
<i>Org Key: MT4200 - Building Services</i>				
P0109155	00205370	PACIFIC AIR CONTROL INC	QTR 4/1/20-6/30/20 BILLING CIT	2,406.25
P0109152	00205370	PACIFIC AIR CONTROL INC	FS#91 CU2 REPAIR CONFERENCE RO	1,562.53
P0109149	00205370	PACIFIC AIR CONTROL INC	QTR BILLING 4/1/20-6/30/20 FS#	795.30
P0109154	00205370	PACIFIC AIR CONTROL INC	QTR 4/1/20-6/30/20 BILLING FS#	638.28
P0109150	00205370	PACIFIC AIR CONTROL INC	CITY HALL COMPRESSOR REPAIR	540.10
<i>Org Key: MT4300 - Fleet Services</i>				
P0109026	00205285	ALL BATTERY SALES & SERVICE	BATTERIES	599.34
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	182.50
P0109164	00205285	ALL BATTERY SALES & SERVICE	BATTERY	118.75
P0109163	00205371	PACIFIC RUBBER	THREAD SEALANT	57.80
	00205281	US BANK CORP PAYMENT SYS	Staff Car Fuel - Vehicle 350	49.72
	00205281	US BANK CORP PAYMENT SYS	Staff Car Fuel - Vehicle 350	48.51
	00205281	US BANK CORP PAYMENT SYS	Fuel - MI100	44.39
	00205281	US BANK CORP PAYMENT SYS	Fuel - MI100	32.13
	00205281	US BANK CORP PAYMENT SYS	Fuel - MI100	24.77
<i>Org Key: MT4420 - Transportation Planner Eng</i>				
P0109000	00205286	ALL-PHASE ELECTRIC	ITEM # STWRK GAA-AF-02-LED-U-S	5,967.50

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: PO1100 - Administration (PO)</i>				
	00205281	US BANK CORP PAYMENT SYS	officer shadow boxes	1,152.72
	00205281	US BANK CORP PAYMENT SYS	Web Cam for Zoom Meetings	43.99
	00205281	US BANK CORP PAYMENT SYS	Name plates for shadow boxes	38.50
	00205281	US BANK CORP PAYMENT SYS	Computer Supplies	37.73
	00205281	US BANK CORP PAYMENT SYS	photos for shadow boxes	0.43
<i>Org Key: PO1700 - Records and Property</i>				
	00205281	US BANK CORP PAYMENT SYS	PDR Officer Donnely - Training	25.00
<i>Org Key: PO2100 - Patrol Division</i>				
	00205281	US BANK CORP PAYMENT SYS	PBT's for patrol	1,477.31
P0109210	00205345	KROESENS UNIFORM COMPANY	Patrol uniforms/equipment	257.13
P0109245	00205373	PROFORCE LAW ENFORCEMENT	Holster for new officers	133.52
P0109173	00205310	DEPT OF ENTERPRISE SERVICES	Police - Business Cards	71.51
P0109210	00205345	KROESENS UNIFORM COMPANY	Patrol uniforms/equipment	25.30
<i>Org Key: PO4300 - Police Training</i>				
	00205281	US BANK CORP PAYMENT SYS	Registration fees for training	447.00
	00205281	US BANK CORP PAYMENT SYS	Officer online training	447.00
	00205281	US BANK CORP PAYMENT SYS	Supervisor Training registrati	350.00
	00205281	US BANK CORP PAYMENT SYS	Registration fee for AWC cours	50.00
	00205281	US BANK CORP PAYMENT SYS	Communications training manual	30.76
<i>Org Key: PR1100 - Administration (PR)</i>				
P0109179	00205392	WA ST DEPT OF TRANS/T2	AA-1-10221 Airspace Lease	7,768.58
P0109179	00205392	WA ST DEPT OF TRANS/T2	AA-1-10265 Airspace Lease	411.10
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	76.99
<i>Org Key: PR2100 - Recreation Programs</i>				
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	32.99
	00205281	US BANK CORP PAYMENT SYS	For Minext website domains- Po	20.00
	00205281	US BANK CORP PAYMENT SYS	For Minext website domains- Po	20.00
	00205281	US BANK CORP PAYMENT SYS	For Minext website domains- Po	20.00
<i>Org Key: PR4100 - Community Center</i>				
P0109153	00205370	PACIFIC AIR CONTROL INC	QTR BILLING 4/1/20-6/30/20 CCM	2,518.18
P0109156	00205370	PACIFIC AIR CONTROL INC	CCMV CHILLER REPAIR	1,105.26
P0109151	00205370	PACIFIC AIR CONTROL INC	CCMV BOILER ROOM AIR SEPARATOR	617.84
<i>Org Key: PR6100 - Park Maintenance</i>				
P0109025	00205337	HORIZON	I2004SS HUNTER I20 IRRIGATION	228.69
	00205281	US BANK CORP PAYMENT SYS	Online coursework for WSDA pes	150.00
P0108303	00205300	CESSCO INC	SHARPEN MOWER BLADES	131.34
P0109007	00205300	CESSCO INC	SHARPEN MOWER BLADES	98.51
<i>Org Key: PR6200 - Athletic Field Maintenance</i>				
P0109005	00205399	WESTERN EQUIPMENT	100) TINES (108-9261)	302.63
<i>Org Key: PR6500 - Luther Burbank Park Maint.</i>				
P0109024	00205337	HORIZON	VALVE BOXES WITH LIDS	114.89
<i>Org Key: PR6600 - Park Maint-School Related</i>				
P0109005	00205399	WESTERN EQUIPMENT	100) TINES (108-9261)	614.45

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PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: PR6900 - Aubrey Davis Park Maintenance</i>				
P0109025	00205337	HORIZON	I2004SS HUNTER I20 IRRIGATION	228.69
	00205331	HARVEY, RICHARD ALEX	WORK CLOTHES REIMBURSEMENT	154.99
P0109032	00205300	CESSCO INC	3 LB TRIMMER LINE (105)	76.98
	00205281	US BANK CORP PAYMENT SYS	Online irrigation controls	29.90
<i>Org Key: ST0001 - ST Traffic Safety Enhancements</i>				
P0107155	00205344	KPG	TRANSPORTATION CAPITAL PROJECT	12,821.83
P0103076	00205344	KPG	W MERCER WAY ELEMENTRY SPEED	10,249.89
P0107155	00205344	KPG	TRANSPORTATION CAPITAL PROJECT	2,043.66
P0106921	00205393	WA ST DEPT OF TRANSPORTATION	WMW TRAIL CROSSING PROJECT JZ0	321.22
<i>Org Key: VCP105 - Transit Funding Placeholder</i>				
P0109241	00205305	CONGREGATIONAL CHURCH OF MI	Q2 Park and Ride Lot Lease	504.00
P0109241	00205305	CONGREGATIONAL CHURCH OF MI	Q3 Park and Ride Lot Lease	504.00
<i>Org Key: VCP343 - CIP Parks Salaries</i>				
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	410.85
<i>Org Key: WD140R - Drainage System Pipe Replacemt</i>				
P0107631	00205367	OCEANSIDE CONSTRUCTION INC	2020 WATER SYSTEM IMPROVEMENTS	48,256.27
<i>Org Key: WG101R - City Hall Building Repairs</i>				
P0109141	00205335	HOLADAY-PARKS INC	MI Water Heater - Final Billin	9,916.08
<i>Org Key: WG104R - Thrift Shop Repairs</i>				
P0108199	00205369	Osborn Architects Inc.	Thrift Shop and Recycling Cent	1,047.65
<i>Org Key: WG110T - Computer Equip Replacements</i>				
	00205281	US BANK CORP PAYMENT SYS	Capital-Computer Equipment	1,732.50
	00205281	US BANK CORP PAYMENT SYS	Capital-Computer Equipment	1,732.50
	00205281	US BANK CORP PAYMENT SYS	Capital-Computer Equipment	159.95
<i>Org Key: WG130E - Equipment Rental Vehicle Repl</i>				
P0108977	00205379	SEATTLE WATER SPORTS	Patrol 11 SEACORE Bravo engine	11,880.00
P0108977	00205379	SEATTLE WATER SPORTS	Patrol 11 SEACORE Bravo engine	11,880.00
P0108977	00205379	SEATTLE WATER SPORTS	Patrol 11 SECCORE Bravo Transo	3,698.35
P0108977	00205379	SEATTLE WATER SPORTS	Patrol 11 SECCORE Bravo Transo	3,698.34
<i>Org Key: WG550R - Fuel Clean Up</i>				
P0108678	00205320	FARALLON CONSULTING LLC	2020 Soil Remediation	54,417.83
P0108678	00205320	FARALLON CONSULTING LLC	2020 Soil Remediation	6,412.72
P0108678	00205320	FARALLON CONSULTING LLC	2020 Soil Remediation	5,065.45
<i>Org Key: WR101R - Residential Street Improvement</i>				
P0108504	00205347	LAKESIDE INDUSTRIES	pp#1	10,036.03
P0108504	00205347	LAKESIDE INDUSTRIES	pp#1	1,331.43
P0106568	00205301	CM DESIGN GROUP	2020 ARTERIAL & RESIDENTIAL	1,000.00
<i>Org Key: WR110R - Arterial Street Preservation</i>				
P0108504	00205347	LAKESIDE INDUSTRIES	pp#1	699.00
<i>Org Key: WR916R - SE 68th and 70th Place ICW EMW</i>				
P0106568	00205301	CM DESIGN GROUP	2020 ARTERIAL & RESIDENTIAL	211.00

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PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: WR918R - SE 40th St 76th to 78th</i>				
P0108504	00205347	LAKESIDE INDUSTRIES	pp#1	2,241.96
P0106568	00205301	CM DESIGN GROUP	2020 ARTERIAL & RESIDENTIAL	1,000.00
<i>Org Key: WS901G - Sewer System Generator Repl</i>				
P0108382	00205308	DAVID EVANS & ASSOC INC	GENERATOR EQUIPMENT	1,026.53
P0108458	00205308	DAVID EVANS & ASSOC INC	LIFT STATION #11 GENERATOR	61.20
<i>Org Key: WW102P - Water Model and Fire Flow Anal</i>				
P0107834	00205333	HDR ENGINEERING INC	2020 WATER MODELING	4,737.92
<i>Org Key: WW521C - Water Components Replacement</i>				
P0107630	00205361	MURRAYSMITH INC	DOH SANITARY SURVEY RESERVOIR	1,096.50
<i>Org Key: WW522R - Reservoir Generator</i>				
P0105058	00205361	MURRAYSMITH INC	RESERVOIR STANDBY DIESEL GENER	6,906.10
<i>Org Key: WW713T - SCADA System Upgrade</i>				
P0103284	00205296	BROWN AND CALDWELL CONSULTANTS	PH1 SCADA EQUIPMENT REPLACEMENT	48,906.41
<i>Org Key: WW718R - Main 87th and 88th Ave SE</i>				
P0107631	00205367	OCEANSIDE CONSTRUCTION INC	2020 WATER SYSTEM IMPROVEMENTS	2,284.28
<i>Org Key: WW913R - 82nd Ave SE Watermain N of 24</i>				
P0108990	00205290	AXIS SURVEY & MAPPING	81st & 82nd Ave SE - (2021) Wa	14,953.25
<i>Org Key: WW914R - 96th 97th Ave and SE 34th Main</i>				
P0107631	00205367	OCEANSIDE CONSTRUCTION INC	2020 WATER SYSTEM IMPROVEMENTS	87,280.09
<i>Org Key: XP710R - Luther BB Minor Capital LEVY</i>				
P0104854	00205287	ANCHOR QEA LLC	Luther Burbank Irrigation Inta	5,413.42
<i>Org Key: YF1100 - YFS General Services</i>				
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	588.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	70.39
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	58.26
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	55.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	26.41
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	11.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	-17.83
<i>Org Key: YF1200 - Thrift Shop</i>				
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	110.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	67.59
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	33.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	22.55
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	15.05
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	-81.03
<i>Org Key: YF2100 - School/City Partnership</i>				
	00205281	US BANK CORP PAYMENT SYS	Tuition & Registrations	260.00
	00205281	US BANK CORP PAYMENT SYS	Tuition & Registrations	140.00
<i>Org Key: YF2600 - Family Assistance</i>				
	00205281	US BANK CORP PAYMENT SYS	Misc-Emergency Assistance	1,029.95

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00205281	US BANK CORP PAYMENT SYS	Food Pantry Purchases	700.00
	00205281	US BANK CORP PAYMENT SYS	Food Pantry Purchases	500.00
	00205281	US BANK CORP PAYMENT SYS	Food Pantry Purchases	500.00
	00205281	US BANK CORP PAYMENT SYS	Misc-Emergency Assistance	341.77
	00205281	US BANK CORP PAYMENT SYS	Misc-Emergency Assistance	245.39
	00205281	US BANK CORP PAYMENT SYS	Food Pantry Purchases	200.00
	00205281	US BANK CORP PAYMENT SYS	Misc-Emergency Assistance	98.38
	00205281	US BANK CORP PAYMENT SYS	Misc-Emergency Assistance	78.49
	00205281	US BANK CORP PAYMENT SYS	Misc-Emergency Assistance	36.47
<i>Org Key: YF2850 - Federal SPF Grant</i>				
	00205281	US BANK CORP PAYMENT SYS	Tuition & Registrations	500.00
	00205281	US BANK CORP PAYMENT SYS	Tuition & Registrations	500.00
	00205281	US BANK CORP PAYMENT SYS	Dues & Subscriptions	250.00
	00205281	US BANK CORP PAYMENT SYS	Licenses/Certifications/Exams	100.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	20.00
	00205281	US BANK CORP PAYMENT SYS	Operating Supplies	20.00
<i>Org Key: YF2860 - Federal STOP Grant</i>				
	00205281	US BANK CORP PAYMENT SYS	Tuition & Registrations	400.00
Total				582,147.69

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Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00205281	10/28/2020	US BANK CORP PAYMENT SYS Operating Supplies		5539OCT201	10/07/2020	23,719.99
00205282	10/30/2020	ABBOTT, RICHARD LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	165.50
00205283	10/30/2020	ADAMS, RONALD E LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	175.60
00205284	10/30/2020	AIRGAS USA LLC Oxygen/Fire	P0109223	9106212393	10/15/2020	24.64
00205285	10/30/2020	ALL BATTERY SALES & SERVICE BATTERY	P0109026	61253021	10/07/2020	718.09
00205286	10/30/2020	ALL-PHASE ELECTRIC ITEM # STWRK GAA-AF-02-LED-U-S	P0109000	2338-513815	09/22/2020	5,967.50
00205287	10/30/2020	ANCHOR QEA LLC Luther Burbank Irrigation Inta	P0104854	67543	04/15/2020	5,413.42
00205288	10/30/2020	AT&T MOBILITY Cell Charges/Fire	P0109226	0X10132020	10/05/2020	46.46
00205289	10/30/2020	AUGUSTSON, THOR LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	175.90
00205290	10/30/2020	AXIS SURVEY & MAPPING 81st & 82nd Ave SE - (2021) Wa	P0108990	15091	09/30/2020	14,953.25
00205291	10/30/2020	BARNES, WILLIAM LEOFF1 Medicare Reimb		NOV2020A	11/01/2020	2,154.53
00205292	10/30/2020	BEL-RED ENERGY SOLUTIONS Refund Permit Fee		OH013909	10/28/2020	138.43
00205293	10/30/2020	BOLLES CONSTRUCTION INC EXCAVATION ON CALL	P0106533	3069	08/03/2020	3,839.00
00205294	10/30/2020	BOOTH, GLENDON D LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	177.10
00205295	10/30/2020	Brotherton, Al Refund for drop-in sports memb	P0109132	32704	10/21/2020	48.80
00205296	10/30/2020	BROWN AND CALDWELL CONSULTANTS PH1 SCADA EQUIPMENT REPLACEMEN	SP0103284	14385221	10/07/2020	48,906.41
00205297	10/30/2020	BUCHANAN, FRANK Refund for fitness room member	P0109159	32736	10/21/2020	57.64
00205298	10/30/2020	CALLAGHAN, MICHAEL LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	175.90
00205299	10/30/2020	CDW GOVERNMENT INC 20 Licenses Meraki MDM	P0109019	2261730	10/01/2020	533.72
00205300	10/30/2020	CESSCO INC SHARPEN HEDGETRIMMER BLADES	P0109032	13899	10/12/2020	709.26
00205301	10/30/2020	CM DESIGN GROUP 2020 ARTERIAL & RESIDENTIAL	P0106568	20033	09/10/2020	2,211.00
00205302	10/30/2020	COMCAST 0060573 - Sept/Oct 20	P0109174	0060573-1020	10/12/2020	242.88
00205303	10/30/2020	COMCAST Internet Charges/Fire	P0109222	0460112-1020	10/18/2020	231.88
00205304	10/30/2020	CONFIDENTIAL DATA DISPOSAL City Shredding service (8/26/2	P0109228	200388	06/30/2020	360.00
00205305	10/30/2020	CONGREGATIONAL CHURCH OF MI Q2 Park and Ride Lot Lease	P0109241	OH013905	03/02/2020	1,008.00
00205306	10/30/2020	COOPER, ROBERT Quarterly Fire Medicare Reimb.		NOV2020A	11/01/2020	2,324.32

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Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00205307	10/30/2020	DANIEL, KAMARIA MITV 10/6 Council Meeting	P0109177	42	10/01/2020	1,050.00
00205308	10/30/2020	DAVID EVANS & ASSOC INC LIFT STATION #11 GENERATOR	P0108382	475268	10/15/2020	1,087.73
00205309	10/30/2020	DEEDS, EDWARD G LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	222.40
00205310	10/30/2020	DEPT OF ENTERPRISE SERVICES Police - Business Cards	P0109173	731100868	09/08/2020	71.51
00205311	10/30/2020	Des Brisay, Thomas Refund for drop-in sports memb	P0109126	32710	10/21/2020	43.92
00205312	10/30/2020	DEVENY, JAN P LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	177.20
00205313	10/30/2020	Dierickx, Marilyn Refund for drop-in sports memb	P0109120	32720	10/21/2020	34.20
00205314	10/30/2020	DMCMA DMCMA - annual membership	P0109205	OH013915	10/26/2020	150.00
00205315	10/30/2020	DOWD, PAUL LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	173.10
00205316	10/30/2020	EASTSIDE FIRE & RESCUE Parts - 8614	P0109233	3657	10/22/2020	1,488.32
00205317	10/30/2020	ELSOE, RONALD LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	176.70
00205318	10/30/2020	Emily Moon, Consultant Fire Service Study Finalizatio	P0109176	3	10/01/2020	9,250.00
00205319	10/30/2020	Evans, Martin Refund for drop-in sports memb	P0109119	32728	10/21/2020	62.88
00205320	10/30/2020	FARALLON CONSULTING LLC 2020 Soil Remediation	P0108678	0034916	01/20/2020	65,896.00
00205321	10/30/2020	FERGUSON ENTERPRISES LLC 2" WATTS DOUBLE CHECK VALVE	P0109009	0919875	09/17/2020	554.13
00205322	10/30/2020	FORSMAN, LOWELL LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	144.60
00205323	10/30/2020	GEMPLER'S INC SUMMER WEIGHT CHAIN SAW PANTS	P0109157	INV0004453516	10/16/2020	127.59
00205324	10/30/2020	GONZALES, ANJANETTE Refund for drop-in sports memb	P0109158	32729	10/21/2020	34.06
00205325	10/30/2020	GOODMAN, J C LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	211.90
00205326	10/30/2020	GORSKI, MARY ANN Refund for fitness room member	P0109160	32740	10/21/2020	39.30
00205327	10/30/2020	Gregov, Erin Refund for drop-in sports memb	P0109123	32713	10/21/2020	58.56
00205328	10/30/2020	H D FOWLER INVENTORY PURCHASES	P0109162	I5615910	10/15/2020	5,452.38
00205329	10/30/2020	HACH COMPANY DPD FREE CHLORINE 10ML, 100 PK	P0109027	12154126/2160905	10/08/2020	1,334.82
00205330	10/30/2020	HAGSTROM, JAMES LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	158.80
00205331	10/30/2020	HARVEY, RICHARD ALEX WORK CLOTHES REIMBURSEMENT		OH013914	10/23/2020	154.99
00205332	10/30/2020	Haugen, Jeff Refund for drop-in sports memb	P0109125	32711	10/21/2020	53.68

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00205333	10/30/2020	HDR ENGINEERING INC 2020 WATER MODELING	P0107834	1200301090	10/09/2020	4,737.92
00205334	10/30/2020	HILTNER, PETER LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	556.00
00205335	10/30/2020	HOLADAY-PARKS INC MI Water Heater - Final Billin	P0109141	54558-2007	07/28/2020	9,916.08
00205336	10/30/2020	HONG, JESSICA Continuing Education Books		OH013916	10/30/2020	247.66
00205337	10/30/2020	HORIZON I2004SS HUNTER I20 IRRIGATION	P0109025	3M363719	10/06/2020	572.27
00205338	10/30/2020	JOHNSON, CURTIS LEOFF1 Medicare Reimb		NOV2020A	11/01/2020	1,228.82
00205339	10/30/2020	Jones, Lynette Refund for drop-in sports memb	P0109135	32716	10/21/2020	58.56
00205340	10/30/2020	Kaseman, Jay Refund for fitness room member	P0109115	32738	10/21/2020	60.26
00205341	10/30/2020	KC FINANCE K4C 2020 Annual Contribution	P0108836	2127555	09/18/2020	1,200.00
00205342	10/30/2020	KING CO PROSECUTING ATTORNEY 2019 COURT REMITTANCE KC CRIME	P0102958	OH013904	10/29/2020	71.34
00205343	10/30/2020	KING COUNTY FINANCE I-NET MONTLY SERVICES FROM	P0107116	11009501	09/30/2020	2,244.00
00205344	10/30/2020	KPG W MERCER WAY ELEMENTRY SPEED	P0107155	8-16820	09/09/2020	25,115.38
00205345	10/30/2020	KROESENS UNIFORM COMPANY Patrol uniforms/equipment	P0109210	61671	10/19/2020	282.43
00205346	10/30/2020	KUHN, DAVID LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	177.20
00205347	10/30/2020	LAKESIDE INDUSTRIES pp#1	P0108504	PP#3	09/30/2020	14,308.42
00205348	10/30/2020	Lee, Nancy Refund for fitness room member	P0109114	32739	10/21/2020	41.92
00205349	10/30/2020	Lehmann, Fran Refund for drop-in sports memb	P0109124	32712	10/21/2020	51.24
00205350	10/30/2020	LEOFF HEALTH & WELFARE TRUST FIRE RETIREES		OH013912	11/01/2020	53,708.16
00205351	10/30/2020	LEOFF HEALTH & WELFARE TRUST POLICE RETIREES		OH013911	11/01/2020	58,793.24
00205352	10/30/2020	Liu, Vincent Refund for drop-in sports memb	P0109137	32674	10/21/2020	41.48
00205353	10/30/2020	LOISEAU, LERI M LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	157.80
00205354	10/30/2020	LYONS, STEVEN LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	199.90
00205355	10/30/2020	Mack, Jimmy Refund for drop-in sports memb	P0109128	32708	10/21/2020	48.80
00205356	10/30/2020	Mage, Colleen Refund for fitness room member	P0109113	32741	10/21/2020	80.04
00205357	10/30/2020	McKay, Randy Refund for drop-in sports memb	P0109136	32715	10/21/2020	53.68
00205358	10/30/2020	METROPRESORT OCT 2020 PRINTING & MAILING OF	P0108952	IN627957	10/23/2020	1,434.43

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00205359	10/30/2020	Monahan, John Refund for drop-in sports	P0109110	32718	10/21/2020	113.40
00205360	10/30/2020	Morrison, Pat Refund for drop-in sports memb	P0109131	32705	10/21/2020	43.92
00205361	10/30/2020	MURRAYSMITH INC DOH SANITARY SURVEY RESERVOIR	P0105058	19-2659.00-10	10/14/2020	8,002.60
00205362	10/30/2020	MYERS, JAMES S LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	175.90
00205363	10/30/2020	NFPA NFPA Renewal	P0109225	2880751	10/02/2020	175.00
00205364	10/30/2020	Niemann, Brett Refund for fitness room member	P0109112	32742	10/21/2020	83.52
00205365	10/30/2020	Nishiguichi, Norio Refund for drop-in sports memb	P0109134	32717	10/21/2020	90.28
00205366	10/30/2020	Norton, Brad Refund for drop-in sports memb	P0109133	32702	10/21/2020	58.56
00205367	10/30/2020	OCEANSIDE CONSTRUCTION INC 2020 WATER SYSTEM IMPROVEMENTS	P0107631	PP#4	10/15/2020	137,820.64
00205368	10/30/2020	Odea, Fiachra Refund for drop-in sports memb	P0109127	32709	10/21/2020	58.56
00205369	10/30/2020	Osborn Architects Inc. Thrift Shop and Recycling Cent	P0108199	807	10/22/2020	1,047.65
00205370	10/30/2020	PACIFIC AIR CONTROL INC QTR 4/1/20-6/30/20 BILLING CIT	P0109156	31791	07/23/2020	10,183.74
00205371	10/30/2020	PACIFIC RUBBER THREAD SEALANT	P0109163	R045750	10/16/2020	57.80
00205372	10/30/2020	Podradchik, Steve Refund for fitness room member	P0109117	32733	10/21/2020	62.64
00205373	10/30/2020	PROFORCE LAW ENFORCEMENT Holster for new officers	P0109245	417900	07/22/2020	133.52
00205374	10/30/2020	RAMSAY, JON LEOFF1 Medicare Reimb		NOV2020A	11/01/2020	710.21
00205375	10/30/2020	Renhard, Paul Refund for drop-in sports memb	P0109122	32714	10/21/2020	53.68
00205376	10/30/2020	RUCKER, MANORD J LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	162.90
00205377	10/30/2020	Scannell, Erin Refund for fitness room member	P0109116	32735	10/21/2020	62.64
00205378	10/30/2020	SCHOENTRUP, WILLIAM LEOFF1 Medicare Reimb		NOV2020A	11/01/2020	1,211.06
00205379	10/30/2020	SEATTLE WATER SPORTS Patrol 11 SEACORE Bravo engine	P0108977	51062	10/06/2020	31,156.69
00205380	10/30/2020	Shafer, Mark Refund for fitness room member	P0109118	32730	10/21/2020	83.52
00205381	10/30/2020	Shi, Ming Refund for drop-in sports memb	P0109108	32727	10/21/2020	42.40
00205382	10/30/2020	Skov, Maretta Refund for fitness room member	P0109111	32743	10/21/2020	62.64
00205383	10/30/2020	SMITH, RICHARD LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	231.70
00205384	10/30/2020	STERICYCLE INC Haz Waste Pickup	P0109224	3005292053	10/12/2020	98.32

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00205385	10/30/2020	Suzuki, Norm Refund for drop-in sports memb	P0109121	32724	10/21/2020	53.00
00205386	10/30/2020	SYSTEMS DESIGN WEST LLC Transport Billing Fees 09/2020	P0109234	20202037	10/10/2020	1,093.10
00205387	10/30/2020	THOMPSON, JAMES LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	196.40
00205388	10/30/2020	Tran, Lam Refund for drop-in sports memb	P0109129	32707	10/21/2020	58.56
00205389	10/30/2020	Travelers Notary insurance for civil ser	P0109211	7009MA234-101220	10/12/2020	80.00
00205390	10/30/2020	US Bank Redmond RETAINAGE FOR P0106533	P0106556	3069-RET	10/28/2020	174.50
00205391	10/30/2020	VERIZON WIRELESS Verizon Oct.20 - Fire	P0109175	9864357172	10/06/2020	16.73
00205392	10/30/2020	WA ST DEPT OF TRANS/T2 AA-1-10221 Airspace Lease	P0109179	OH013906	10/01/2020	8,179.68
00205393	10/30/2020	WA ST DEPT OF TRANSPORTATION WMW TRAIL CROSSING PROJECT JZO	P0106921	RE41JZ0644L007	09/14/2020	321.22
00205394	10/30/2020	WALLACE, THOMAS LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	170.10
00205395	10/30/2020	WALTER E NELSON CO INVENTORY PURCHASES	P0108655	781196	10/21/2020	264.72
00205396	10/30/2020	Wan, Wendian Refund for drop-in sports memb	P0109130	32706	10/21/2020	58.56
00205397	10/30/2020	WASHINGTON ENERGY SRVS CO LLC Refund Permit Fee		OH013908	10/28/2020	138.43
00205398	10/30/2020	WEGNER, KEN LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	144.60
00205399	10/30/2020	WESTERN EQUIPMENT 100) TINES (108-9261)	P0109005	7137641-00	10/01/2020	917.08
00205400	10/30/2020	WHEELER, DENNIS LEOFF1 Medicare Reimb		NOV2020B	11/01/2020	181.70
00205401	10/30/2020	White, Martha Refund for drop-in sports memb	P0109109	32722	10/21/2020	40.80
					Total	<u>582,147.69</u>

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	205402-205498	11/06/2020	\$ 689,934.39
			\$ 689,934.39

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: 001000 - General Fund-Admin Key</i>				
P0109252	00205444	KC FAMILY COURT SERVICES	Refund for cancelled rentals o	900.00
P0108749	00205487	URAKAWA, BRYAN	Refund for picnic rental FA-45	350.00
P0109215	00205480	SMITH, CHARLOTTE	Refund for fitness room member	160.08
P0109187	00205406	Bilanski, Brian	Refund for fitness room member	145.54
P0109184	00205478	Silva, Diego	Refund for fitness room member	141.50
P0109192	00205409	Brayman, Vladimir	Refund for fitness room member	125.28
P0109200	00205430	Dinh, Quyen	Refund for fitness room member	83.52
P0109189	00205459	Mitchell, Liz	Refund for fitness room member	83.52
P0109199	00205481	Smith, Steven	Refund for fitness room member	83.52
P0109203	00205498	Zhou, Hui	Refund for fitness room member	83.52
P0109195	00205421	Chin, Marina	Refund for fitness room member	80.04
P0109201	00205474	Rojas, Leslie	Refund for fitness room member	80.04
P0109181	00205437	Grover, Andrea	Refund for drop-in sports memb	76.56
P0109212	00205486	UPSON, MARK AND KAREN	Refund for drop-in sports memb	76.56
P0109185	00205412	Brown, William	Refund for fitness room member	73.08
P0109190	00205462	Nair, Girish	Refund for fitness room member	73.08
P0109197	00205493	Wilson, Jennifer	Refund for fitness room member	69.60
P0109214	00205449	Layman, Gail	Refund for drop-in sports memb	62.88
P0109217	00205453	MCFADDEN, MIKE	Refund for fitness room member	62.88
P0109180	00205423	Coleman, Cheryl	Refund for fitness room member	62.64
P0109232	00205483	Su, Michael	Refund for drop-in sports memb	61.00
P0109188	00205427	Dean, Susan	Refund for fitness room member	60.26
P0109216	00205492	WHITEHEAD, JAMES	Refund for fitness room member	60.26
P0109202	00205497	Yamamoto, Deb	Refund for fitness room member	60.26
P0109229	00205432	Forbes, Tim	Refund for fitness room member	55.02
P0109213	00205467	PAULL, BRENDA	Refund for fitness room member	55.02
P0109183	00205476	Selby, Jenny	Refund for fitness room member	55.02
P0109194	00205410	Brehm, Keith	Refund for drop-in sports memb	48.80
P0109231	00205431	Fatien, Yan	Refund for drop-in sports memb	48.80
P0109196	00205407	Blessing, Craig	Refund for fitness room member	45.24
P0109191	00205411	Brondstetter, Deborah	Refund for drop-in sports memb	44.52
P0109230	00205484	Sun, Wei	Refund for drop-in sports memb	40.28
P0109186	00205496	Yamamoto, Dale	Refund for drop-in sports memb	39.30
P0109198	00205452	Malone, Joanna	Refund for fitness room member	34.06
P0109193	00205472	Reilly, Leslie	Refund for drop-in sports memb	31.72
P0109182	00205454	McGee, Rosetta	Refund for drop-in sports memb	23.40
P0109195	00205421	Chin, Marina	Refund for fitness room member	0.00
<i>Org Key: 402000 - Water Fund-Admin Key</i>				
	00205468	PAZARENA, CRAIG	Overcharged Water Con Fee	6,240.00
P0109284	00205435	GRAINGER	INVENTORY PURCHASES	888.61
	00205414	Carlson, Sue	Refund Overpay 004160440	561.20
	00205424	Conradt, Jon	Refund Overpay 004000107	500.00
	00205482	Stephanie & Jacob Gribble	Refund Overpay 01078520002	250.85
P0109208	00205435	GRAINGER	INVENTORY PURCHASES	271.55
	00205494	Wise, Robert	Refund Overpay 01040605001	148.02
P0109218	00205435	GRAINGER	INVENTORY PURCHASES	146.45
	00205461	MOZEIKA, JOHN	Refund Overpay 00415124004	99.49
P0109268	00205488	USABlueBook	INVENTORY PURCHASES	76.95

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0109014	00205435	GRAINGER	INVENTORY PURCHASES	22.00
	00205455	Melick, Dana	Refund Overpay 00737239101	2.86
<i>Org Key: 814074 - Garnishments</i>				
	00205485	UNITED STATES TREASURY	Payroll 11-06	826.84
<i>Org Key: 814075 - Mercer Island Emp Association</i>				
	00205457	MI EMPLOYEES ASSOC	Payroll 11-06	245.00
<i>Org Key: CA1100 - Administration (CA)</i>				
P0109264	00205463	OGDEN MURPHY WALLACE PLLC	Invoice #844149 Professional	1,461.00
P0109263	00205473	RELX INC DBA LEXISNEXIS	Invoice #3092907281 - Library	348.70
<i>Org Key: CA1150 - Attorney-Litigation</i>				
P0109266	00205439	HARRIGAN LEYH FARMER &	Invoice #19 Professional Servi	2,380.00
<i>Org Key: CA1200 - Prosecution & Criminal Mngmnt</i>				
P0109292	00205460	MOBERLY AND ROBERTS	Invoice #926 Prosecution Servi	6,800.00
P0109265	00205441	HONEYWELL, MATTHEW V	Invoice #1180 Professional Ser	1,000.00
P0109267	00205451	LOTZKAR, STEPHEN A	Invoice #3255 Professional Ser	375.00
<i>Org Key: CM1100 - Administration (CM)</i>				
	00205490	VERIZON WIRELESS	VERIZON WIRELESS NOV 2020	109.65
	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020	46.95
P0109279	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020	21.97
<i>Org Key: CT1100 - Municipal Court</i>				
P0109285	00205436	Gregory, Jeff	Judge Pro Tem 11/3/2020 - 7 hr	350.00
P0109270	00205442	INTERCOM LANGUAGE SERVICES INC	Intercom invoice #20-551	308.75
<i>Org Key: DS1100 - Administration (DS)</i>				
P0109283	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020 CITY	514.33
P0109281	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020 CITY	466.56
<i>Org Key: FN4501 - Utility Billing (Water)</i>				
P0109274	00205456	METROPRESORT	OCT 2020 PRINTING & MAILING OF	129.78
P0109274	00205456	METROPRESORT	OCT 2020 PRINTING & MAILING OF	119.41
<i>Org Key: FN4502 - Utility Billing (Sewer)</i>				
P0109274	00205456	METROPRESORT	OCT 2020 PRINTING & MAILING OF	129.78
P0109274	00205456	METROPRESORT	OCT 2020 PRINTING & MAILING OF	119.41
<i>Org Key: FN4503 - Utility Billing (Storm)</i>				
P0109274	00205456	METROPRESORT	OCT 2020 PRINTING & MAILING OF	129.78
P0109274	00205456	METROPRESORT	OCT 2020 PRINTING & MAILING OF	119.42
<i>Org Key: FR1100 - Administration (FR)</i>				
	00205418	CENTURYLINK	Century Link Oct 2020	996.57
<i>Org Key: FR2100 - Fire Operations</i>				
P0109276	00205490	VERIZON WIRELESS	VERIZON WIRELESS 2020 OCTOBER	960.07
<i>Org Key: GGM004 - Gen Govt-Office Support</i>				
P0109293	00205495	Xerox Financial Services	Oct 2020 Copier Lease Payments	3,174.70
P0109293	00205495	Xerox Financial Services	Sept 2020 Copier Lease Payment	2,143.99

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0109280	00205429	DEPT OF ENTERPRISE SERVICES	#10 CUSTOM WINDOW ENVELOPES CO	257.55
<i>Org Key: GGM005 - Genera Govt-LI Retiree Costs</i>				
P0109286	00205403	ADAMS, RONALD E	LEOFF1 Retiree Medical Expense	354.28
P0109291	00205438	HAGSTROM, JAMES	FRLEOFF1 Retiree Medical Expen	189.57
P0109288	00205428	DEEDS, EDWARD G	LEOFF1 Retiree Medical Expense	186.83
P0109290	00205408	BOOTH, GLENDON D	LEOFF1 Retiree Medical Expense	90.93
P0109287	00205404	AUGUSTSON, THOR	LEOFF1 Retiree Medical Expense	55.88
<i>Org Key: GGM100 - Emerg Incident Response</i>				
P0109161	00205434	GLOBAL INDUSTRIAL	Workbenches and supplies for t	2,406.74
<i>Org Key: IS2100 - IGS Network Administration</i>				
	00205419	CENTURYLINK	Century Link Oct 2020	1,399.10
	00205417	CENTURYLINK	Century Link Oct 2020	759.30
<i>Org Key: MT2100 - Roadway Maintenance</i>				
	00205471	PUGET SOUND ENERGY	PSE OCTOBER 2020	2,182.38
P0109248	00205446	KING COUNTY TREASURY	Signal Preventative Maint	808.02
P0109251	00205466	PACIFIC RUBBER	PUMP HOSE	214.89
P0109227	00205440	HOME DEPOT CREDIT SERVICE	TROWEL & RUB BRICK	30.73
<i>Org Key: MT2300 - Planter Bed Maintenance</i>				
P0109258	00205458	MI UTILITY BILLS	PAYMENT OF UTILITY BILLS FOR W	233.09
	00205471	PUGET SOUND ENERGY	PSE OCTOBER 2020	14.05
<i>Org Key: MT3000 - Water Service Upsizes and New</i>				
P0109243	00205413	CADMAN INC	5/8"-MINUS ROCK (66.78 TONS)	823.10
<i>Org Key: MT3100 - Water Distribution</i>				
P0109243	00205413	CADMAN INC	5/8"-MINUS ROCK (66.78 TONS)	823.10
P0109254	00205475	S&B INC	SCADA REPAIR EMERGENCY	706.75
<i>Org Key: MT3150 - Water Quality Event</i>				
P0109268	00205488	USABlueBook	OAKTON PORTABLE PH 150 PH/ORP	559.32
P0109268	00205488	USABlueBook	LAMOTTE HORIZONTAL WATER	329.45
<i>Org Key: MT3200 - Water Pumps</i>				
	00205471	PUGET SOUND ENERGY	PSE OCTOBER 2020	2,262.40
	00205417	CENTURYLINK	Century Link Oct 2020	59.69
<i>Org Key: MT3400 - Sewer Collection</i>				
P0109219	00205447	KING COUNTY WASTEWATER	INDUSTRIAL WASTE DECANT DISCHA	623.26
P0108554	00205416	CDW GOVERNMENT INC	Monitor for Pipe Inspection	517.77
P0109219	00205447	KING COUNTY WASTEWATER	INDUSTRIAL WASTE DECANT DISCHA	449.45
<i>Org Key: MT3500 - Sewer Pumps</i>				
	00205417	CENTURYLINK	Century Link 87313406	3,889.73
	00205417	CENTURYLINK	Century Link Sept 2020	3,882.79
	00205471	PUGET SOUND ENERGY	PSE OCTOBER 2020	2,518.38
	00205417	CENTURYLINK	Century Link Oct 2020	505.01
P0109029	00205435	GRAINGER	MULTI-BIT SECURITY SCREWDRIVER	85.27
P0109258	00205458	MI UTILITY BILLS	PAYMENT OF UTILITY BILLS FOR W	38.85
<i>Org Key: MT3800 - Storm Drainage</i>				

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0109236	00205402	AA ASPHALTING INC	WORK COMPLETED PER BID #89235	10,368.00
<i>Org Key: MT4150 - Support Services - Clearing</i>				
P0109275	00205490	VERIZON WIRELESS	VERIZON WIRELESS 2020 OCTOBER	3,739.56
P0109246	00205491	WEATHERNET LLC	WEATHERNET FOR NOVEMBER	490.00
P0106555	00205489	UTILITIES UNDERGROUND LOCATION	2020 UTILITY LOCATES	290.25
P0109289	00205426	DATAQUEST LLC	Pre-employment background chec	26.50
<i>Org Key: MT4200 - Building Services</i>				
	00205471	PUGET SOUND ENERGY	PSE OCTOBER 2020	6,883.84
P0109273	00205450	LONG BUILDING TECHNOLOGIES INC	FS#92 SEMI-ANNUAL MAINT CONTRA	1,057.30
P0109253	00205420	CHEMAQUA	WATER TREATMENT PROGRAM - CITY	874.65
P0109258	00205458	MI UTILITY BILLS	PAYMENT OF UTILITY BILLS FOR W	659.61
P0109271	00205465	PACIFIC AIR CONTROL INC	CITY HALL THERMOSTAT	344.30
<i>Org Key: MT4300 - Fleet Services</i>				
P0106771	00205415	CARQUEST AUTO PARTS STORES	2020 MONTHLY FLEET PARTS	254.20
P0109206	00205464	OWEN EQUIPMENT COMPANY	QUICK CLAMP, 8 IN. J HOOK	218.63
P0109255	00205405	AUTONATION INC	FLEET PARTS	135.96
<i>Org Key: MT4501 - Water Administration</i>				
	00205417	CENTURYLINK	Century Link Oct 2020	59.39
<i>Org Key: MT4502 - Sewer Administration</i>				
P0106421	00205446	KING COUNTY TREASURY	MONTHLY SEWER JAN-DEC 2020	398,994.66
<i>Org Key: PO1100 - Administration (PO)</i>				
P0109277	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020 POLI	731.05
<i>Org Key: PO1350 - Police Emergency Management</i>				
P0109240	00205479	SKYLINE COMMUNICATIONS INC	NOV 2020 EOC INTERNET	206.55
<i>Org Key: PR1100 - Administration (PR)</i>				
	00205490	VERIZON WIRELESS	VERIZON WIRELESS NOV 2020	121.98
	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020	21.60
<i>Org Key: PR1500 - Urban Forest Management</i>				
	00205490	VERIZON WIRELESS	VERIZON WIRELESS NOV 2020	46.96
	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020	46.95
<i>Org Key: PR4100 - Community Center</i>				
P0109029	00205435	GRAINGER	MULTI-BIT SECURITY SCREWDRIVER	85.27
	00205417	CENTURYLINK	Century Link Oct 2020	57.05
	00205471	PUGET SOUND ENERGY	PSE OCTOBER 2020	37.13
<i>Org Key: PR6100 - Park Maintenance</i>				
	00205471	PUGET SOUND ENERGY	PSE OCTOBER 2020	2,181.17
P0109256	00205458	MI UTILITY BILLS	PAYMENT FOR UTILITY BILLS FOR	1,746.88
	00205490	VERIZON WIRELESS	VERIZON WIRELESS NOV 2020	573.79
	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020	373.72
P0109269	00205440	HOME DEPOT CREDIT SERVICE	HARDWARE CLOTH	98.11
P0109029	00205435	GRAINGER	MULTI-BIT SECURITY SCREWDRIVER	87.85
<i>Org Key: PR6200 - Athletic Field Maintenance</i>				
P0109256	00205458	MI UTILITY BILLS	PAYMENT FOR UTILITY BILLS FOR	950.84

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
P0109244	00205469	PIONEER MANUFACTURING COMPANY	WHITE FIELD MARKING PAINT (10	223.25
	00205490	VERIZON WIRELESS	VERIZON WIRELESS NOV 2020	97.69
	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020	97.62
	00205417	CENTURYLINK	Century Link Oct 2020	91.28
<i>Org Key: PR6500 - Luther Burbank Park Maint.</i>				
P0109256	00205458	MI UTILITY BILLS	PAYMENT FOR UTILITY BILLS FOR	2,294.66
	00205471	PUGET SOUND ENERGY	PSE OCTOBER 2020	487.47
	00205417	CENTURYLINK	Century Link Oct 2020	181.64
	00205490	VERIZON WIRELESS	VERIZON WIRELESS NOV 2020	111.50
	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020	11.34
<i>Org Key: PR6600 - Park Maint-School Related</i>				
	00205471	PUGET SOUND ENERGY	PSE OCTOBER 2020	493.91
P0109244	00205469	PIONEER MANUFACTURING COMPANY	WHITE FIELD MARKING PAINT (10	453.26
	00205490	VERIZON WIRELESS	VERIZON WIRELESS NOV 2020	15.72
	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020	15.66
<i>Org Key: PR6800 - Trails Maintenance</i>				
	00205490	VERIZON WIRELESS	VERIZON WIRELESS NOV 2020	41.96
	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020	41.95
<i>Org Key: PR6900 - Aubrey Davis Park Maintenance</i>				
P0109256	00205458	MI UTILITY BILLS	PAYMENT FOR UTILITY BILLS FOR	4,097.90
	00205471	PUGET SOUND ENERGY	PSE OCTOBER 2020	132.82
	00205490	VERIZON WIRELESS	VERIZON WIRELESS NOV 2020	113.41
	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020	113.28
<i>Org Key: PY4616 - Flex Admin 2016</i>				
	00205433	GENTINO, CATHERINE L	Unclaim prop. 2017 reissue	10.05
<i>Org Key: PY4617 - Flex Spending Admin 2017</i>				
	00205433	GENTINO, CATHERINE L	Unclaim prop. 2017 reissue	37.95
<i>Org Key: ST0001 - ST Traffic Safety Enhancements</i>				
P0109239	00205443	KAMINS CONSTRUCTION INC	West Mercer Way Pedestrian Cro	159,836.13
P0109250	00205448	KRAZAN & ASSOCIATES INC	West Mercer Way pedestrian cro	750.00
P0109238	00205425	DAILY JOURNAL OF COMMERCE	MERCER PED CROSS	399.00
<i>Org Key: ST0020 - ST Long Term Parking</i>				
	00205471	PUGET SOUND ENERGY	PSE OCTOBER 2020	16.29
<i>Org Key: WG550R - Fuel Clean Up</i>				
P0109243	00205413	CADMAN INC	5/8"-MINUS ROCK (66.78 TONS)	182.91
<i>Org Key: WP122R - Vegetation Management</i>				
	00205490	VERIZON WIRELESS	VERIZON WIRELESS NOV 2020	41.96
	00205490	VERIZON WIRELESS	VERIZON WIRELESS OCT 2020	41.95
<i>Org Key: WR101R - Residential Street Improvement</i>				
P0109237	00205422	CM DESIGN GROUP	TASK MANAGEMENT /	8,650.00
P0109249	00205448	KRAZAN & ASSOCIATES INC	Extraction-Gradation Analysis	1,450.00
<i>Org Key: WR110R - Arterial Street Preservation</i>				
P0109237	00205422	CM DESIGN GROUP	TASK MANAGEMENT /	833.21

Accounts Payable Report by GL Key

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: WR918R - SE 40th St 76th to 78th</i>				
P0109237	00205422	CM DESIGN GROUP	TASK MANAGEMENT/ CONSTRUCTION	8,650.00
P0109249	00205448	KRAZAN & ASSOCIATES INC	Extraction-Gradation Analysis	1,905.00
<i>Org Key: YF1100 - YFS General Services</i>				
P0109289	00205426	DATAQUEST LLC	Pre-employment background test	147.50
<i>Org Key: YF1200 - Thrift Shop</i>				
P0109272	00205470	PIPP MOBILE STORAGE SYS INC	3 slanted shelf cart. Includes	1,112.71
	00205471	PUGET SOUND ENERGY	PSE OCTOBER 2020	331.57
<i>Org Key: YF2600 - Family Assistance</i>				
P0106344	00205445	KC HOUSING AUTHORITY	Rental Assistance for Emergenc	818.00
P0106396	00205477	SHOREWOOD #14885	Rental assistance for Emergenc	459.99
Total				689,934.39

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00205402	11/06/2020	AA ASPHALTING INC WORK COMPLETED PER BID #89235	P0109236	120699	09/25/2020	10,368.00
00205403	11/06/2020	ADAMS, RONALD E LEOFF1 Retiree Medical Expense	P0109286	OH013918	11/04/2020	354.28
00205404	11/06/2020	AUGUSTSON, THOR LEOFF1 Retiree Medical Expense	P0109287	OH013919	11/04/2020	55.88
00205405	11/06/2020	AUTONATION INC FLEET PARTS	P0109255	153031	08/10/2020	135.96
00205406	11/06/2020	Bilanski, Brian Refund for fitness room member	P0109187	32744	10/28/2020	145.54
00205407	11/06/2020	Blessing, Craig Refund for fitness room member	P0109196	32773	10/28/2020	45.24
00205408	11/06/2020	BOOTH, GLENDON D LEOFF1 Retiree Medical Expense	P0109290	OH013920	11/04/2020	90.93
00205409	11/06/2020	Brayman, Vladimir Refund for fitness room member	P0109192	32757	10/28/2020	125.28
00205410	11/06/2020	Brehm, Keith Refund for drop-in sports memb	P0109194	32777	10/28/2020	48.80
00205411	11/06/2020	Brondstetter, Deborah Refund for drop-in sports memb	P0109191	32758	10/28/2020	44.52
00205412	11/06/2020	Brown, William Refund for fitness room member	P0109185	32747	10/28/2020	73.08
00205413	11/06/2020	CADMAN INC 5/8"-MINUS ROCK (66.78 TONS)	P0109243	5715457/5715836	10/06/2020	1,829.11
00205414	11/06/2020	Carlson, Sue Refund Overpay 004160440		OH013934	10/22/2020	561.20
00205415	11/06/2020	CARQUEST AUTO PARTS STORES 2020 MONTHLY FLEET PARTS	P0106771	OCT-342095	10/31/2020	254.20
00205416	11/06/2020	CDW GOVERNMENT INC Monitor for Pipe Inspection	P0108554	ZXT2753	09/01/2020	517.77
00205417	11/06/2020	CENTURYLINK Century Link 87313406		OH013929	10/20/2020	9,485.88
00205418	11/06/2020	CENTURYLINK Century Link Oct 2020		OH013928	10/23/2020	996.57
00205419	11/06/2020	CENTURYLINK Century Link Oct 2020		OH013929	10/20/2020	1,399.10
00205420	11/06/2020	CHEMAQUA WATER TREATMENT PROGRAM - CITY	P0109253	7103954	09/16/2020	874.65
00205421	11/06/2020	Chin, Marina Refund for fitness room member	P0109195	32775	10/28/2020	80.04
00205422	11/06/2020	CM DESIGN GROUP TASK MANAGEMENT / CONSTRUCTION	P0109237	20034	09/11/2020	18,133.21
00205423	11/06/2020	Coleman, Cheryl Refund for fitness room member	P0109180	32756	10/28/2020	62.64
00205424	11/06/2020	Conradt, Jon Refund Overpay 004000107		OH013931	10/22/2020	500.00
00205425	11/06/2020	DAILY JOURNAL OF COMMERCE MERCER PED CROSS	P0109238	3018	08/31/2020	399.00
00205426	11/06/2020	DATAQUEST LLC Pre-employment background chec	P0109289	13285	10/31/2020	174.00
00205427	11/06/2020	Dean, Susan Refund for fitness room member	P0109188	32762	10/28/2020	60.26

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00205428	11/06/2020	DEEDS, EDWARD G LEOFF1 Retiree Medical Expense	P0109288	OH013921	11/04/2020	186.83
00205429	11/06/2020	DEPT OF ENTERPRISE SERVICES #10 CUSTOM WINDOW ENVELOPES CO	P0109280	731101777	10/28/2020	257.55
00205430	11/06/2020	Dinh, Quyen Refund for fitness room member	P0109200	32768	10/28/2020	83.52
00205431	11/06/2020	Fatien, Yan Refund for drop-in sports memb	P0109231	32596	10/30/2020	48.80
00205432	11/06/2020	Forbes, Tim Refund for fitness room member	P0109229	32763	10/30/2020	55.02
00205433	11/06/2020	GENTINO, CATHERINE L Unclaim prop. 2017 reissue		UNCLAIMPROP2017	11/06/2020	48.00
00205434	11/06/2020	GLOBAL INDUSTRIAL Workbenches and supplies for t	P0109161	V20303334861	10/21/2020	2,406.74
00205435	11/06/2020	GRAINGER INVENTORY PURCHASES	P0109029	9678887119	10/09/2020	1,587.00
00205436	11/06/2020	Gregory, Jeff Judge Pro Tem 11/3/2020 - 7 hr	P0109285	OH013939	11/03/2020	350.00
00205437	11/06/2020	Grover, Andrea Refund for drop-in sports memb	P0109181	32754	10/28/2020	76.56
00205438	11/06/2020	HAGSTROM, JAMES FRLEOFF1 Retiree Medical Expen	P0109291	OH013917	11/04/2020	189.57
00205439	11/06/2020	HARRIGAN LEYH FARMER & Invoice #19 Professional Servi	P0109266	19	10/13/2020	2,380.00
00205440	11/06/2020	HOME DEPOT CREDIT SERVICE HARDWARE CLOTH	P0109227	6024752	10/28/2020	128.84
00205441	11/06/2020	HONEYWELL, MATTHEW V Invoice #1180 Professional Ser	P0109265	1180	10/27/2020	1,000.00
00205442	11/06/2020	INTERCOM LANGUAGE SERVICES INC Intercom invoice #20-551	P0109270	20-551	10/30/2020	308.75
00205443	11/06/2020	KAMINS CONSTRUCTION INC West Mercer Way Pedestrian Cro	P0109239	PP#1	10/19/2020	159,836.13
00205444	11/06/2020	KC FAMILY COURT SERVICES Refund for cancelled rentals o	P0109252	32793	10/30/2020	900.00
00205445	11/06/2020	KC HOUSING AUTHORITY Rental Assistance for Emergenc	P0106344	OH013924	11/03/2020	818.00
00205446	11/06/2020	KING COUNTY TREASURY Signal Preventative Maint	P0106421	30030448	11/01/2020	399,802.68
00205447	11/06/2020	KING COUNTY WASTEWATER INDUSTRIAL WASTE DECANT DISCHA	P0109219	108870	08/31/2020	1,072.71
00205448	11/06/2020	KRAZAN & ASSOCIATES INC West Mercer Way pedestrian cro	P0109249	INVI617229-5832	08/31/2020	4,105.00
00205449	11/06/2020	Layman, Gail Refund for drop-in sports memb	P0109214	32753	10/28/2020	62.88
00205450	11/06/2020	LONG BUILDING TECHNOLOGIES INC FS#92 SEMI-ANNUAL MAINT CONTRA	P0109273	SCPAY0049673	09/10/2020	1,057.30
00205451	11/06/2020	LOTZKAR, STEPHEN A Invoice #3255 Professional Ser	P0109267	3255	10/02/2020	375.00
00205452	11/06/2020	Malone, Joanna Refund for fitness room member	P0109198	32771	10/28/2020	34.06
00205453	11/06/2020	MCFADDEN, MIKE Refund for fitness room member	P0109217	33776	10/28/2020	62.88

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00205454	11/06/2020	McGee, Rosetta Refund for drop-in sports memb	P0109182	32751	10/28/2020	23.40
00205455	11/06/2020	Melick, Dana Refund Overpay 00737239101		OH013936	10/22/2020	2.86
00205456	11/06/2020	METROPRESORT OCT 2020 PRINTING & MAILING OF	P0109274	IN628088	10/30/2020	747.58
00205457	11/06/2020	MI EMPLOYEES ASSOC Payroll 11-06		OH013923	11/06/2020	245.00
00205458	11/06/2020	MI UTILITY BILLS PAYMENT OF UTILITY BILLS FOR W	P0109256	OH013927	10/30/2020	10,021.83
00205459	11/06/2020	Mitchell, Liz Refund for fitness room member	P0109189	32761	10/28/2020	83.52
00205460	11/06/2020	MOBERLY AND ROBERTS Invoice #926 Prosecution Servi	P0109292	926	11/01/2020	6,800.00
00205461	11/06/2020	MOZEIKA, JOHN Refund Overpay 00415124004		OH013933	10/22/2020	99.49
00205462	11/06/2020	Nair, Girish Refund for fitness room member	P0109190	32760	10/28/2020	73.08
00205463	11/06/2020	OGDEN MURPHY WALLACE PLLC Invoice #844149 Professional	P0109264	8441489	10/15/2020	1,461.00
00205464	11/06/2020	OWEN EQUIPMENT COMPANY QUICK CLAMP, 8 IN. J HOOK	P0109206	00099570	10/22/2020	218.63
00205465	11/06/2020	PACIFIC AIR CONTROL INC CITY HALL THERMOSTAT PROGRAMIN	P0109271	34940	10/29/2020	344.30
00205466	11/06/2020	PACIFIC RUBBER PUMP HOSE	P0109251	R046072	10/23/2020	214.89
00205467	11/06/2020	PAULL, BRENDA Refund for fitness room member	P0109213	32748	10/28/2020	55.02
00205468	11/06/2020	PAZARENA, CRAIG Overcharged Water Con Fee		OH013938	10/27/2020	6,240.00
00205469	11/06/2020	PIONEER MANUFACTURING COMPANY WHITE FIELD MARKING PAINT (10	P0109244	INV771789	10/21/2020	676.51
00205470	11/06/2020	PIPP MOBILE STORAGE SYS INC 3 slanted shelf cart. Includes	P0109272	038155	01/01/2020	1,112.71
00205471	11/06/2020	PUGET SOUND ENERGY PSE OCTOBER 2020		OH013930	10/23/2020	17,541.41
00205472	11/06/2020	Reilly, Leslie Refund for drop-in sports memb	P0109193	32778	10/28/2020	31.72
00205473	11/06/2020	RELX INC DBA LEXISNEXIS Invoice #3092907281 - Library	P0109263	3092907281	10/31/2020	348.70
00205474	11/06/2020	Rojas, Leslie Refund for fitness room member	P0109201	32767	10/28/2020	80.04
00205475	11/06/2020	S&B INC SCADA REPAIR EMERGENCY	P0109254	25678A	10/22/2020	706.75
00205476	11/06/2020	Selby, Jenny Refund for fitness room member	P0109183	32750	10/28/2020	55.02
00205477	11/06/2020	SHOREWOOD #14885 Rental assistance for Emergenc	P0106396	OH013925	11/03/2020	459.99
00205478	11/06/2020	Silva, Diego Refund for fitness room member	P0109184	32746	10/28/2020	141.50
00205479	11/06/2020	SKYLINE COMMUNICATIONS INC NOV 2020 EOC INTERNET	P0109240	IN45826	11/01/2020	206.55

Accounts Payable Report by Check Number

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00205480	11/06/2020	SMITH, CHARLOTTE Refund for fitness room member	P0109215	32755	10/28/2020	160.08
00205481	11/06/2020	Smith, Steven Refund for fitness room member	P0109199	32769	10/28/2020	83.52
00205482	11/06/2020	Stephanie & Jacob Gribble Refund Overpay 01078520002		OH013935	10/22/2020	250.85
00205483	11/06/2020	Su, Michael Refund for drop-in sports memb	P0109232	32436	10/30/2020	61.00
00205484	11/06/2020	Sun, Wei Refund for drop-in sports memb	P0109230	32613	10/30/2020	40.28
00205485	11/06/2020	UNITED STATES TREASURY Payroll 11-06		OH013922	11/06/2020	826.84
00205486	11/06/2020	UPSON, MARK AND KAREN Refund for drop-in sports memb	P0109212	32759	10/28/2020	76.56
00205487	11/06/2020	URAKAWA, BRYAN Refund for picnic rental FA-45	P0108749	31231A	09/21/2020	350.00
00205488	11/06/2020	USABlueBook INVENTORY PURCHASES	P0109268	398219	10/22/2020	965.72
00205489	11/06/2020	UTILITIES UNDERGROUND LOCATION 2020 UTILITY LOCATES	P0106555	0100174	10/31/2020	290.25
00205490	11/06/2020	VERIZON WIRELESS VERIZON WIRELESS OCT 2020		OH013937	10/23/2020	8,519.18
00205491	11/06/2020	WEATHERNET LLC WEATHERNET FOR NOVEMBER	P0109246	2020-17251	10/27/2020	490.00
00205492	11/06/2020	WHITEHEAD, JAMES Refund for fitness room member	P0109216	32764	10/28/2020	60.26
00205493	11/06/2020	Wilson, Jennifer Refund for fitness room member	P0109197	32772	10/28/2020	69.60
00205494	11/06/2020	Wise, Robert Refund Overpay 01040605001		OH013932	10/23/2020	148.02
00205495	11/06/2020	Xerox Financial Services Oct 2020 Copier Lease Payments	P0109293	2274673	09/11/2020	5,318.69
00205496	11/06/2020	Yamamoto, Dale Refund for drop-in sports memb	P0109186	32745	10/28/2020	39.30
00205497	11/06/2020	Yamamoto, Deb Refund for fitness room member	P0109202	32766	10/28/2020	60.26
00205498	11/06/2020	Zhou, Hui Refund for fitness room member	P0109203	32765	10/28/2020	83.52
					Total	<u>689,934.39</u>



CITY OF MERCER ISLAND CERTIFICATION OF PAYROLL

Item 2.

PAYROLL PERIOD ENDING 10.30.2020
PAYROLL DATED 11.6.2020

Net Cash	\$	467,371.21
Net Voids/Manuals	\$	-
Net Total	\$	467,371.21
Federal Tax Deposit - Key Bank	\$	72,978.61
Social Security and Medicare Taxes	\$	37,143.10
Medicare Taxes Only (Fire Fighter Employees)	\$	2,134.18
State Tax (Massachusetts)	\$	38.34
Public Employees Retirement System 2 (PERS 2)	\$	24,773.22
Public Employees Retirement System 3 (PERS 3)	\$	5,262.01
Public Employees Retirement System (PERSJM)	\$	870.75
Public Safety Employees Retirement System (PSERS)	\$	214.08
Law Enforc. & Fire fighters System 2 (LEOFF 2)	\$	25,367.09
Regence & LEOFF Trust - Medical Insurance	\$	10,577.80
Domestic Partner/Overage Dependand - Insurance	\$	596.15
Group Health Medical Insurance	\$	666.06
Health Care - Flexible Spending Accounts	\$	1,667.37
Dependent Care - Flexible Spending Accounts	\$	594.23
ICMA Deferred Compensation	\$	28,660.46
Fire 457 Nationwide	\$	6,894.56
Roth - ICMA	\$	475.00
Roth - Nationwide	\$	1,170.77
Tax Levy	\$	826.84
Child Support	\$	599.99
Mercer Island Employee Association	\$	245.00
Cities & Towns/AFSCME Union Dues	\$	-
Police Union Dues	\$	-
Fire Union Dues	\$	2,155.12
Fire Union - Supplemental Dues	\$	160.00
Standard - Supplemental Life Insurance	\$	-
Unum - Long Term Care Insurance	\$	196.45
AFLAC - Supplemental Insurance Plans	\$	388.71
Coffee Fund	\$	116.00
Transportation	\$	56.67
HRA - VEBA	\$	5,695.06
Nationwide Extra	\$	2,666.66
Tax & Benefit Obligations Total	\$	233,190.28

TOTAL GROSS PAYROLL \$ 700,561.49

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



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

**AB 5773
November 17, 2020
Consent Calendar**

AGENDA BILL INFORMATION

TITLE:	AB 5773: 2021 Legislative Priorities	<input checked="" type="checkbox"/> Discussion Only <input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Adopt the 2021 State Legislative Priorities.	

DEPARTMENT:	City Manager
STAFF:	Jessi Bon, City Manager
COUNCIL LIAISON:	n/a
EXHIBITS:	<ol style="list-style-type: none"> 1. Draft City of Mercer Island 2021 State Legislative Priorities 2. Association of Washington Cities 2021 Legislative Priorities 3. Sound Cities Association Draft 2021 Legislative Agenda Discussion Memo 4. King County-Cities Climate Collaboration's (K4C) 2021 Legislative Priorities 5. City of Mercer Island 2020 State Legislative Priorities
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

The Legislative Priorities serves as a guide for 2021 work with area legislators. The adopted Legislative Priorities allow the City to respond quickly and efficiently to issues of interest that arise in Olympia during the Washington State Legislative Sessions. This also allows the Mayor, City Council, and staff to respond to requests for endorsement letters and other opportunities to advocate for the City's Legislative Priorities.

2021 STATE LEGISLATIVE SESSION

The 2021 Washington State Legislative Regular Session will begin on January 11, 2021 and is scheduled to end in March. The entire 2021 Session, the "long" session, will be 105 days (on even years, the "short" session lasts 60 days). There could also be any number of special sessions called by the Governor, none of which can last longer than 30 days.

PROPOSED MERCER ISLAND 2021 LEGISLATIVE PRIORITIES

The draft 2021 State Legislative Priorities (see Exhibit 1), have been updated from 2020 to reflect current conditions, interests, and goals of the City Council, and are categorized as follows:

1. Economic Support
2. Sustainable and Flexible Local Funding
3. Preserve Local Decision-Making Authority
4. Law Enforcement Reforms
5. Transportation Funding
6. Preserving and Protecting the Environment

Attached for City the Council's reference are Association of Washington Cities' 2021 Legislative Priorities (Exhibit 2), the Sound Cities Association's Public Issues Committee's memo regarding the development of their 2021 Legislative Agenda (Exhibit 3), the King County-Cities Climate Collaboration's (K4C) 2021 Legislative Priorities (Exhibit 4), and the City of Mercer Island's 2020 Legislative Priorities (Exhibit 5).

NEXT STEPS

Upon adoption, the staff will ensure the final priorities are communicated to the legislators and their staff and will also be sent to the Association of Washington Cities and the Sound Cities Association.

RECOMMENDATION

Adopt the 2021 State Legislative Priorities.



CITY OF MERCER ISLAND

2021 STATE LEGISLATIVE PRIORITIES

1. ECONOMIC SUPPORT

Significantly more economic support is needed for cities, businesses, and non-profits that are struggling as a result of the COVID-19 Pandemic. Accordingly, the City encourages legislation to support services for the most vulnerable within our communities including funding for mental health counseling and emergency assistance to address food and housing insecurity.

2. SUSTAINABLE AND FLEXIBLE LOCAL FUNDING

Even more so because of the COVID-19 Pandemic, stable tax revenues for local government are essential for providing quality, predictable services to the communities we serve. The City supports legislation to:

- a. Provide greater flexibility to use existing revenue sources to help manage the impacts of the COVID-19 Pandemic. This will allow cities to direct scarce resources where they are needed most.
- b. Preserve city fiscal health with secure funding sources such as replacing the annual 1% cap on property tax revenues with a growth limit whose maximum is inflation plus the rate of population growth and removing restrictions on REET revenues; and,
- c. Maintain State shared revenue distributions to cities and ask the State to look for other opportunities to expand revenue sharing, particularly during this time of economic uncertainty.

3. PRESERVE LOCAL DECISION-MAKING AUTHORITY

Cities possess strong local knowledge and authority to keep communities safe and healthy, and to improve their communities' quality of life. Therefore, it is critical that cities maintain the authority to provide these necessary services and retain local control over land use planning.

4. LAW ENFORCEMENT REFORMS

The City supports local control over city law enforcement policy decisions to meet the needs of each community. The City also supports the [statewide policing reforms](#) listed in the Association of Washington Cities' *2021 Legislative Priorities*.

5. TRANSPORTATION AND INFRASTRUCTURE FUNDING

The Puget Sound Region needs funding for transportation projects to reduce congestion, enhance traffic safety, replace aging infrastructure, and increase mobility. The City supports a comprehensive transportation bill that provides new resources and options for local government actions and legislation that delivers solutions to relieve congestion along I-90 and I-405. The City also supports full funding of the Public Works Trust Fund as well as additional local revenue options for cities.

6. PRESERVING AND PROTECTING THE ENVIRONMENT

It is essential to preserve and protect the environment today and for future generations with equity in mind. The City encourages legislation and partnerships that support progressive clean energy, carbon reduction and climate protection, and other environmental health measures.



State-shared revenues

Maintain revenue sharing with cities. Cities support increased shared revenue distributions to cities (if the state sees increased shared revenues) and ask the state to look for other opportunities to expand revenue sharing.



Transportation revenue package

Adopt a new transportation revenue package that emphasizes maintenance/preservation funding and provides an equitable level of local funding as well as additional local revenue options for cities.



Fiscal flexibility

Provide cities greater flexibility to use funds from existing revenue sources to help cities manage the impacts of the current economic downturn. This will allow cities to direct scarce resources where they are most needed when responding to pressing community conditions.



Housing instability assistance

Work in a coalition to develop additional resources to address housing instability created by the economic impacts of the COVID-19 pandemic, including rent assistance and foreclosure/eviction prevention assistance.



Statewide policing reforms

Support local control over city law enforcement policy decisions to meet the needs of each community and appropriately contain costs. Cities understand our obligation to address racial equity in policing – both state requirements and local policies.

Cities support the following statewide reforms:

- Develop a statewide standard for use of force that preserves the right of local jurisdictions to enact more restrictive standards based on community input.
- Create a database to track officers who have been fired for misconduct.
- Expand grounds for decertification to include use of force violations.
- Require that officer misconduct investigations be completed, regardless of an officer's resignation.
- Establish a duty for all law enforcement officers to immediately intervene and report misconduct or illegal activity by a fellow police officer.
- Require that all officers receive regular support for vicarious trauma and mental well-being, including peer support, mental health counseling, and appropriate mental health screenings. Officers involved in any fatal use of force must undergo a mental health screening prior to returning to duty.

AWC's advocacy is guided by the following core principles from our Statement of Policy:

- Local decision-making authority
- Fiscal flexibility and sustainability
- Equal standing for cities
- Diversity, equity, and inclusion
- Strong Washington state partnerships
- Nonpartisan analysis and decision-making

Contact:

Candice Bock
Government Relations Director
candiceb@awcnet.org

Item 9:

SCA 2021 Legislative Agenda

POTENTIAL FUTURE ACTION

SCA Staff Contact

Jackie Wheeler, SCA Policy Analyst, jackie@soundcities.org, 206-495-3020

SCA Legislative Committee Members

Mayor Dana Ralph, Kent (Chair); Mayor Angela Birney, Redmond; Mayor Leanne Guier, Pacific; Mayor Amy Ockerlander, Duvall; Mayor Mary Lou Pauley, Issaquah; Deputy Mayor Wendy Weiker, Mercer Island

Discussion

The SCA Legislative Committee is working to develop the SCA 2021 Legislative Agenda to recommend to PIC. At the November PIC meeting, members will receive an update on the work of the Legislative Committee, review initial ideas under consideration, and provide input on potential priorities.

PIC members are encouraged to provide information on any work that has already begun in your city to identify priorities for 2021 and to provide input for the SCA Legislative Committee to consider as it develops recommendations.

Background

The SCA Legislative Committee, made up of members from each geographic caucus, is working to develop the 2021 Legislative Agenda to recommend to PIC for consideration. Using the SCA 2020 Legislative Agenda ([Attachment A](#)), AWC's Legislative Priorities ([Attachment B](#)), and feedback from previous PIC meetings, the Legislative Committee met again on October 26, 2020 to continue refining the 2021 priorities.

The SCA Legislative Agenda typically reflects legislative priorities found in common in city agendas across our membership. The draft legislative priorities and principles remain very high-level as many cities were still at the early stages of discussing their legislative priorities at the time of the October PIC meeting and the most recent SCA Legislative Committee meeting. City legislative agendas that have been received so far, can be found on the [SCA website](#).

Based on feedback from the September and October PIC meeting, the Legislative Committee continue to identify the following policy areas to focus the 2021 Legislative Agenda.

Draft Legislative Priorities:

- Invest in Economic Recovery
- Address the Fiscal Needs of Cities to Provide Local Services

- Address Housing Instability
- Invest in Transportation and Other Infrastructure
- Address Law Enforcement Reform¹
- Clarify the Open Public Meetings Act Regarding Remote Meetings

Draft Legislative Principles:

- Advance racial equity and social justice
- Limit state interference in local democracy
- Do not eliminate the social safety net
- Protect shared revenues
- No unfunded mandates to cities

Past SCA Legislative Agendas included several specific policy solutions to address the legislative priorities. For the 2021 Legislative Session, the committee discussed providing more of a narrative to explain why these issues are important to cities, emphasize that the legislative principles must be reflected in any proposed legislation, and urge legislators to include local governments in discussions that impact cities and their ability to provide basic services.

Next Steps

PIC members are encouraged to provide input for the SCA Legislative Committee on the priorities being considered and if they are reflective of city agendas. PIC members are also encouraged to share your city's legislative priorities to help shape the 2021 SCA Legislative Agenda. SCA will share adopted city agendas on the [SCA website](#) once available.

The SCA Legislative Committee will continue to meet over the upcoming weeks to refine the list of priority issue areas and make recommendations for the SCA 2021 Legislative Agenda. At future meetings, PIC will review the recommendations of the Legislative Committee and recommend the proposed Legislative Agenda to the SCA Board, by whom it may be formally adopted.

Questions or feedback can be provided to SCA Policy Analyst Jackie Wheeler, jackie@soundcities.org, 206-495-3020.

¹ Washington Association of Sheriffs and Police Chiefs (WASPC) proposed law enforcement reforms ([Attachment C](#))

SCA 2020 Legislative Agenda

Address the Affordable Housing and Homelessness Crisis

The state and cities must partner to preserve and increase the supply of affordable housing as, well as address behavioral health needs and other root causes of homelessness. Sound Cities Association urges the Legislature to:

- *Allow cities to create and preserve affordable housing through optional local tools, including extending the timeline to approve a “qualifying local tax” provided under HB 1406 adopted in the 2019 legislative session*
- *Continue to expand investment in the Housing Trust Fund*
- *Address other underlying causes of homelessness by providing support to cities to implement innovative local solutions and increasing investments in our state’s behavioral health system*

Invest in Transportation Infrastructure and Mobility

The economic vitality of our state demands that we invest in our existing transportation infrastructure and prioritize new investments that improve the movement of people and goods. Cities have increased investments in local transportation systems, but still face an annual funding gap for maintenance and operation of those systems of \$1 billion statewide. Sound Cities Association urges the Legislature to:

- *Partner with cities to develop a comprehensive transportation bill that provides new resources and options for local government to address transportation and mobility needs*

Fully Fund the Public Works Trust Fund and Provide Options for Local Infrastructure Needs

Today’s cities are building the infrastructure necessary to accommodate a growing population and economy. Investments in infrastructure keep communities vibrant, protect the environment, and attract economic development. Cities need tools to lower the cost of providing local infrastructure and to avoid further exacerbating the housing affordability crisis. Sound Cities Association urges the Legislature to:

- *Fully fund the Public Works Trust Fund*
- *Support economic development tools that help maintain and expand local infrastructure, such as Tax Increment Financing and similar tools*

Preserve Local Decision-Making Authority

Cities possess strong local knowledge and authority to keep communities safe, healthy, and improve quality of life. It is critical cities maintain the authority to provide the necessary services and retain local control over land use planning that will help communities thrive.

Provide the Tools for Cities to Address Local Priorities

City revenue streams are limited and are not structured to sustainably keep-up with rising costs. Cities need flexible local funding tools, fewer unfunded mandates, and continued support from the state for shared responsibilities. Sound Cities Association urges the Legislature to:

- *Replace the arbitrary 1% cap on annual property tax increases with a limit tied to inflation plus population growth*
- *Meet the state’s commitment to revenues intended to be shared with cities to serve our shared constituents*
- *Continue streamlined sales tax mitigation to affected cities*



King County - Cities

CLIMATE COLLABORATION

Recap of Recent Climate and Energy State Action and K4C Interests¹ for 2021

Who we are

King County, and seventeen partners representing more than 1.6 million county residents — Bellevue, Burien, Issaquah, Kenmore, Kent, Kirkland, Lake Forest Park, Mercer Island, Normandy Park, Redmond, Renton, Sammamish, Seattle, Shoreline, Snoqualmie, and Tukwila, plus the Port of Seattle — are working together through the [King County-Cities Climate Collaboration \(K4C\)](#) to coordinate and enhance the effectiveness of local government climate and sustainability action.

Our Shared Climate Goals and Actions

In 2014, King County and all 39 cities formally adopted a shared target to reduce countywide sources of greenhouse gas (GHG) emissions at the county scale 25% by 2020, 50% by 2030, and 80% by 2050 (compared to a 2007 baseline). To support this goal, in 2019 K4C partners mapped out and updated [Joint County - City Climate Commitments](#) to meet this target, in areas ranging from transportation and land use to renewable energy to waste reduction.

Importance of State Action

While local governments have the responsibility to lead on climate solutions at the local level, a comprehensive and supportive policy and funding framework at the state level is essential to meeting our shared commitments. State policies and investments in climate and energy can also better position Washington State to be a leader in economic development. The current federal administration is continuing attempts to roll back the clean air and energy efficiency rules, weaken vehicle fuel efficiency standards, and scale back other federal efforts to reduce GHG emissions and support our communities' work to prepare for local climate change impacts. This makes state and local climate action more important than ever.

Policy Interest Details for 2021 Legislative Session

These policy interests draw from the K4C's updated [Joint City - County Climate Commitments](#) from K4C legislative interests developed in recent years and are informed by anticipated proposals for state legislation. These policy interests are intended to advance shared climate commitments and to be a resource for local governments as they review state legislation, consider comment letters, and weigh in on state policies as they develop. **We recognize that each K4C partner has unique policy and state legislative priorities and may not pursue all of these interests**, but through focused, coordinated action, we can maximize the impact of our individual and shared efforts.

¹ King County's own formal legislative agenda is subject to review and approval by the King County Council, usually in November.



Climate Policy

K4C supports comprehensive science-based limits and a market-based price on carbon pollution and other greenhouse gases.

2020 Recap:

- In 2020, the Washington State Legislature passed HB 2311 that established stronger GHG emission reduction targets, with a 95% reduction goal from 1990 levels and net carbon neutral target in 2050.

2021 Priorities:

- **Support a price on carbon based on best available science that reinvests a substantial share of revenues in efforts** to reduce greenhouse gas emissions (e.g., transit service, energy efficiency and renewable energy projects, forest protection and restoration), prioritize investments that benefit communities most impacted by climate change, and ensure a just transition for workers in fossil fuel industries.
- **Support policies that establish and use “cost of carbon” methods for analysis and decision-making.**
- Support amendments to existing legislation that **strengthen targets to align with best science**, and that provide additional structure or resources to reach the targets.
- Support policies encouraging **carbon sequestration**.



Transportation and Land Use

K4C supports comprehensive state policies and investments that reduce emissions from the transportation sector by supporting transit, and opportunities to walk, roll, and bike, catalyzing investments in clean transit vehicles. K4C supports policies to focus growth inside cities and prioritizing centers well served by transit and other mobility options.

2020 Recap:

- HB 1793 passed, which authorized the establishment of a pilot program for use of automated traffic safety cameras to identify traffic obstructions and travel in bus-only lanes.
- HB 2427, which would add climate change to the planning goals in develop of city/county comprehensive plans and regional transportation planning agencies failed to pass.
- HB 2609, which built on HB 2427 (above) but established specific GHG emission reduction and VMT reduction goals, also failed to pass.



King County - Cities

CLIMATE COLLABORATION

2021 Priorities:

- **Support**, as part of a comprehensive strategy for reducing transportation-related greenhouse gas emissions:
 - **Flexibility in how potential revenue streams, including Road Usage Charges, (RUC) are spent.** Support local government authority to use revenues to fund transit, multi-modal, pedestrian and road improvements that increase mobility and prioritize reaching climate goals;
 - **Support for integration of climate considerations** in comprehensive planning policies.
 - **Protection for and expansion of funding for public transit** and investments that support travel by walking, rolling and biking;
 - **Continued funding and expansion as in previous years of the Commute Trip Reduction program** and the Regional Mobility Grant program;
 - **Policies and incentives to support equitable transit friendly development and easy connections** in vicinity of planned rail and high capacity transit and employment centers;
 - **Development of land use strategies** that encourage dense, affordable healthy, sustainably developed neighborhoods that discourage displacement.



Clean Fuels and Electric Vehicles

K4C supports comprehensive state and regional policies and investments that reduce emissions from the transportation sector by increasing Federal vehicle efficiency standards, adopting state or regional clean fuels standards, and the increase in the use of electric light, medium and heavy-duty vehicles.

2020 Recap:

- HB 5811, which aligns Washington State's zero-emission vehicle goals with the state of California's standards, passed.
- HB 1110, which would have established a state-level clean fuels standard, did not pass.
- In April 2020, the Puget Sound Clean Air Agency stayed the proposed regional clean fuels standard in response to the Washington Supreme Court's ruling on the authority of the Department of Commerce to regulate indirect emissions. HB 2957, introduced in response to this ruling, would have given explicit authority to the state to enforce clean air standards for indirect sources that reduce emissions associated with buildings and transportation. This bill failed to pass.
- HB 2310, which would require the Department of Ecology to establish GHG emission reduction goals for passenger and food delivery services, did not pass.



King County - Cities

CLIMATE COLLABORATION

- HB 2515, which specifically linked byproducts of internal combustion engines to detriments to health and habitat, would require that in the years 2030 and beyond all light duty vehicles sold or registered in the state be electric. This bill did not pass.

2021 Priorities:

- **Support the development of comprehensive transportation sector decarbonization plan** that evaluates reductions in vehicle miles travelled, land use strategies, vehicle electrification and renewable hydrogen technologies, and transit.
- Support **the adoption of cleaner fuel standards**;
- **Incentives and investments for electrification of public and private fleets** and lower pollution from transportation fuels.
- Support for accessible, reliable, interoperable, and fairly priced electric vehicle charging.



Energy Supply

K4C supports existing state renewable energy commitments including the Renewable Portfolio Standard and the Clean Energy Transformation Act that provide for 100% Clean electricity supply by 2045 by partnering with local utilities, state regulators and other stakeholders on a countywide commitment to clean energy resources. Support policies that meet our future energy needs through deep energy efficiency, grid modernization, and expanded renewable generation while phasing out fossil fuels.

2020 Recap:

- HB 2249, which provided funding to spur community solar projects, and provided additional incentives for low/moderate income households, passed the legislature but was vetoed by Gov. Inslee as part of his budget reduction measures in April 2020.
- HB 2518, which would require gas utilities to provide annual reports of gas pipeline leaks to the Utilities and Transportation Commission, passed.

2021 Priorities:

- **Protect core provisions of the Clean Energy Transformation Act.**
- **Support a clear, articulated pathway for retirement of fossil fuel energy supplies** that protects ratepayers, creates jobs, supports a just transition, and maximizes replacement with new renewable resources.
- **Support changes in the utility Integrated Resource Planning process** that promote equitable consideration of environmental and health benefits and greater emphasis on energy efficiency and demand management.



King County - Cities

CLIMATE COLLABORATION

- **Support existing state law that requires increasing percentages of new energy load to be met by renewable sources other than hydropower.** Washington State’s current renewable portfolio standard is 15% of utility load for 2020 and beyond.
- **Support distributed solar energy generation.** Current state law limits the size of solar arrays that qualify for retail electricity rates. We support policy changes that would expand utility limits for these systems and allow for development of larger solar installations while considering both the benefits of increased distributed solar energy generation and ratepayer fairness.



Green Building and Energy Efficiency

K4C supports state policy changes and investments that will help us to reduce energy use in existing buildings 25% below 2017 levels by 2030, achieve net-zero GHG emissions in new buildings by 2031, and reduce fossil fuel use in buildings by 20% by 2030.

2020 Recap:

- In 2020, the Legislature passed HB 2405 which authorizes counties to establish Property Assessed Clean Energy (PACE) legislation. A King County 2020 Strategic Climate Action Plan proposed priority is to establish a PACE program in 2021/22.
- HB 2586, which would enable public utilities to establish beneficial electrification plans, including the use of ratepayer dollars for programs, marketing, and incentives, did not pass.
- HB 2744, which would have established guidelines for the reduction of emissions associated with manufacture, sourcing, and transportation of concrete, steel, wood and other materials used in State building projects, did not pass.

2021 Priorities:

- **Support stronger Washington State Energy code**, leading the way to “net-zero emissions” buildings by 2030.
- **Support policies and funding mechanisms to reduce energy use** and save money for residents and businesses.
- **Support policies that enable the beneficial electrification of buildings**, with a focus on equitable access to programs and just transition for workers.
- **Support policies, tools and programs to reduce construction-related emissions**, including embodied carbon in construction materials.
- **Provide State Department of Commerce grants** to leverage energy efficiency and renewable energy investments by local governments.



CITY OF MERCER ISLAND

2020 STATE LEGISLATIVE PRIORITIES

The City of Mercer Island supports the following legislative priorities for 2020:

1. TRANSPORTATION FUNDING

The Puget Sound Region needs funding for transportation projects to reduce congestion, enhance traffic safety, and increase mobility. We support policies and legislation that:

- a. Pursues a comprehensive transportation bill or grants that provide new resources and options for local government actions;
- b. Engages regional groups (e.g. SCA) with the development of any statewide transportation package; and
- c. Delivers solutions to relieve congestion on I-90 and I-405.

2. SUSTAINABLE LOCAL FUNDING

Stable tax revenues for local government are essential for providing quality, predictable services to the public. City revenue streams are limited and not structured to keep-up with rising costs. We support legislation to:

- a. Preserve city fiscal health with secure funding sources such as replacing the annual 1% cap on property tax revenues with a growth limit whose maximum is inflation plus the rate of population growth and removing restrictions on REET revenues;
- b. Retain State-shared revenues and curtail unfunded mandates;
- c. Identify funding source for emergency response and disaster recovery; and
- d. Fully fund the Public Works Trust Fund (PWTF).

3. MAINTAINING LOCAL CONTROL

Preserve local control around local land use planning (e.g. implementation of GMA-related items, housing, concurrency, etc.) by:

- a. Extending the timeline/grant cycle for HB 1923 to include another round in 2020;
- b. Extending the timeline for approving a "Qualifying Local Tax" under HB 1406 so that cities can choose to put a levy on the ballot after enacting the tax; and
- c. Identifying funding options for long range planning work related to GMA major updates.

4. PROTECTING OUR HEALTH

The health of our community is tied to our residents' individual health. We encourage legislation that:

- a. Supports mental health counseling and social emotional learning in all schools; and
- b. Continue to pursue new resources and policies to increase affordable housing both at the state and local level.

5. PRESERVING AND PROTECTING THE ENVIRONMENT

It is essential to preserve and protect the environment today and for future generations. We encourage legislation and partnerships that support progressive clean energy, climate protection, or other environmental health measures to achieve the following:

- a. A statewide price on carbon pollution that reinvests a substantial share of revenues into efforts to reduce greenhouse gas emissions;
- b. Reduce transportation-related greenhouse gas emissions by supporting access to public transit, fleet electrification, commute reduction programs, and cleaner fuel standards;
- c. Support an accelerated timeline to retire fossil fuel energy supplies from Puget Sound Energy's portfolio, maximizing replacement with new renewable energy sources;
- d. Expand incentives for distributed solar energy generation; and
- e. Strengthen Washington State Energy Code encouraging "net-zero emissions" buildings.



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5783
November 17, 2020
Consent Calendar

AGENDA BILL INFORMATION

TITLE: RECOMMENDED ACTION:	AB 5783: Native American Heritage Month Proclamation No. 259	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
	Proclaim the month of November as Native American Heritage Month in the City of Mercer Island.	

DEPARTMENT:	City Council
STAFF:	Mayor Benson Wong
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Native American Heritage Month Proclamation
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

The City of Mercer Island joins with cities and communities across the country to celebrate and honor Indigenous cultures, traditions, histories, and achievements throughout the month by designating November as Native American Heritage Month.

This proclamation follows a thirty-year national tradition, begun by President George H. W. Bush in 1990.

RECOMMENDATION

Proclaim the month of November as Native American Heritage Awareness Month in the City of Mercer Island.



City of Mercer Island, Washington

Proclamation

WHEREAS, Native American Heritage Month is recognized to honor Indigenous cultures, traditions, histories, and achievements; and

WHEREAS, during Native American Heritage Month, we celebrate the strength, perseverance, resilience, and self-determination leading to many achievements and contributions made by Native Americans in technology, science, philosophy, and the arts; and

WHEREAS, in 1990, President George H. W. Bush approved a joint resolution designating November as "National American Indian Heritage Month" and similar national proclamations have been issued yearly since; and

WHEREAS, Native Americans, including local Duwamish, Snoqualmie, Snohomish, Suquamish, Tulalip, and many others serve as stewards and protectors of Pacific Northwest natural resources and environment.

NOW, THEREFORE, I, Benson Wong, Mayor of the City of Mercer Island, do hereby proclaim the month of November 2020 as

NATIVE AMERICAN HERITAGE MONTH

in the City of Mercer Island and urge all citizens to continue to learn more about, celebrate, and support Native people and our diverse heritage and culture.



APPROVED, this 17th day of November 2020

Mayor Benson Wong

Proclamation No. 259



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5779
November 17, 2020
Public Hearing

AGENDA BILL INFORMATION

TITLE:	AB 5779: Town Center Moratorium Renewal (Public Hearing)	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Conduct Public Hearing and adopt Ordinance No. 20-26 extending the Town Center moratorium for another 6-months.	<input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, Interim Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Ordinance No. 20-12 2. Ordinance No. 20-18 3. Draft Ordinance No. 20-26
CITY COUNCIL 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.

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

Ordinance No. 20-12 (Exhibit 1) was adopted on June 2, 2020 and established a 6-month moratorium on major new construction south of SE 29th Street in the Town Center (TC) zoning designation. This interim Ordinance expires on December 2, 2020. The City Council must conduct a Public Hearing and adopt a new interim Ordinance prior to December 2, 2020 to renew the moratorium for another 6-months to include the current geographic area as amended on September 1, 2020.,.

BACKGROUND

The current Town Center development regulations were established in June 2016 (see [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 service (e.g. barber shop, nail salon, fitness center, etc.) 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 retail space is allowed, but not required, south of SE 29th Street in the Town Center zoning designation.

On June 2, 2020, the City Council passed [Ordinance No. 20-12](#) (see Exhibit 1), which established a 6-month moratorium on major new construction south of SE 29th Street in the Town Center (TC) zoning designation. The City Council indicated that the City desires to update and possibly amend development regulations within the Mercer Island Town Center, including requirements for various types of commercial retail space.

On 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.

On September 1, 2020, the City Council adopted [Ordinance No. 20-18](#) (see Exhibit 2) 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 retail analysis to inform options for resolving the moratorium and a corresponding budget appropriation request.

PROPOSED NEXT STEPS

1. November 17, 2020: Complete Public Hearing and Adopt Ordinance to Renew Moratorium
The City Council must conduct a Public Hearing and adopt a new interim Ordinance (Exhibit 3) prior to December 2, 2020 to renew the Town Center moratorium for another 6-months with its current geographic area as amended on September 1, 2020. If the new ordinance is not adopted, the moratorium will lapse and all applicable development regulations for the subject geographic area will be in full effect.
2. December 1, 2020: Biennial Budget Adoption
A one-time budget appropriation request in the amount of \$50,000 was approved by the City Council at the November 2, 2020 meeting and will be included in the 2021-2022 Final Budget, scheduled for review and adoption on December 1, 2020. This budget appropriation will fund a Town Center retail analysis to inform options for resolving the moratorium.
3. December 1, 2020: Setting the Comprehensive Plan / Development Code Annual Docket
The City Council will be conducting a Public Hearing and considering a Resolution to approve the 2021 docket of potential amendments to the Comprehensive Plan and development code at the City Council meeting on December 1, 2020. A “placeholder” docket request has been submitted by staff for potential necessary amendments to the Comprehensive Plan, Town Center Sub-Area Plan, and/or development code in response to findings from the Town Center retail analysis.
4. First Quarter 2021: Complete Town Center Retail Analysis
Pending adoption of the 2021-2022 Final Budget, the Town Center retail analysis is anticipated to be completed and presented to the City Council by the end of Q1 2021. Direction to staff will be sought at that time as to whether to prepare any necessary amendments to the Comprehensive Plan, Town Center Sub-Area Plan, and/or development code in response to findings from the Town Center retail analysis.
5. Second Quarter 2021: Process Town Center Annual Docket Items
Pending City Council direction in response to findings from the retail analysis, work would commence on preparing any necessary amendments to the Comprehensive Plan, Town Center Sub-Area Plan, and/or development code during the remainder of 2021. Standalone development code amendments would likely be processed in time for City Council to take final action and not renew the Town Center

moratorium for another 6-months. Comprehensive Plan and/or Town Center Sub-Area Plan amendments with or without integrated development code amendments would take longer and require the renewal of the Town Center moratorium for another 6-months.

6. May 2021: Renew Moratorium

If necessary, the renewal of the Town Center moratorium for another 6-months will require a Public Hearing and adoption of a new interim Ordinance prior to June 2, 2020. These actions are a repeat of step (1).

RECOMMENDATION

1. Conduct a Public Hearing and consider public testimony on Ordinance No. 20-26.
2. Suspend the City Council Rules of Procedure 6.3, requiring a second reading of an ordinance.
3. Adopt Ordinance 20-26 as presented extending the Town Center moratorium for another 6-months.

**CITY OF MERCER ISLAND
ORDINANCE NO. 20-12**

**AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON;
ADOPTING A MORATORIUM ON THE ACCEPTANCE OF CERTAIN
BUILDING PERMIT APPLICATIONS IN THE MERCER ISLAND TOWN
CENTER ZONE; SCHEDULING A PUBLIC HEARING; DECLARING AN
EMERGENCY; PROVIDING FOR SEVERABILITY; AND ESTABLISHING
AN IMMEDIATE EFFECTIVE DATE.**

WHEREAS, in compliance with the Washington State Growth Management Act, Chapter 36.70A RCW, the City of Mercer Island (City) adopted a Comprehensive Plan in 1994 and has amended the plan on several occasions since that time; and

WHEREAS, in compliance with the Washington State Growth Management Act, Chapter 36.70A RCW, the City has adopted a zoning code and map (Mercer Island City Code, Title 19, Unified Land Development Code); and

WHEREAS, as part of its Growth Management Act obligations, the City desires to significantly update and amend development regulations applicable to certain parts of the Mercer Island Town Center, including requirements for various types of commercial retail space; and

WHEREAS, during its annual Planning Session, the City Council established a work plan for 2020 and 2021 that prioritized the included updates to the Town Center development regulations; and

WHEREAS, the City Council may adopt an immediate moratorium for a period of up to six months on the acceptance of building and development permit applications for major new construction as long as the City Council holds a public hearing on the proposed moratorium within sixty days after adoption, pursuant to RCW 35A.63.220 and RCW 36.70A.390; and

WHEREAS, consistent with the provisions of RCW 35A.63.220 and RCW 36.70A.390, it is appropriate for the City Council to hold a public hearing and to adopt findings of fact supporting and justifying the moratorium, and to implement a work plan to prepare and adopt changes to the Town Center development regulations; and

WHEREAS, allowing building and other new development to continue in certain parts of the Town Center zone before the City Council can fully consider new Town Center development regulations will substantially impact orderly growth in the Town Center zone; and

WHEREAS, building permit applications and other development proposals submitted under existing regulations may be inconsistent with the updated Town Center regulations; and

WHEREAS, the City Council finds that if new developments vest under the current Town Center regulations, it may result in a poorly designed Town Center, visual blight, economic hardship, and poor infrastructure design that pose harm to public health, safety, property, and welfare; and

WHEREAS, to prevent the potential harm to public health, safety, property, and welfare, the City Council concludes that the City Council needs to take immediate action; and

WHEREAS, the moratorium does not apply to any complete application for a development proposal that has vested pursuant to MICC 19.15.170 to the regulations in effect prior to the effective date of this ordinance; and

WHEREAS, the City shall schedule a public hearing before August 01, 2020, consistent with the requirements set forth in RCW 35A.63.220 and RCW 36.70A.390.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Moratorium Established. The Mercer Island City Council hereby imposes a six month moratorium on the submission or acceptance 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 south of SE 29th Street within the Town Center (TC) zone at Mercer Island. All applications subject to this moratorium received by the City shall be rejected and returned to the applicant.

Section 2. Whereas Clauses Adopted. The “Whereas Clauses” set forth in the recital section above are hereby adopted as the preliminary findings of the City Council for passing this ordinance.

Section 3. Public Hearing. A public hearing shall be scheduled and noticed to be held before August 01, 2020 pursuant to RCW 35A.63.220 and RCW 36.70A.390 to hear and consider the comments and testimony of those wishing to speak regarding the moratorium enacted by this ordinance. After the public hearing, the City Council will either adopt findings of fact justifying the continuation of the moratorium, or adopt an ordinance lifting it.

Section 4. Duration of Moratorium. The moratorium established by this ordinance shall continue in effect for an initial period of six months, unless repealed, extended or modified by the City Council after subsequent public hearing(s), entry of appropriate findings of fact, and or development of a work plan for related studies pursuant to RCW 35A.63.220 and RCW 36.70A.390.

Section 5. Declaration of Emergency. As set forth in the “Whereas Clauses” adopted in Section 2 of this ordinance, the City Council hereby declares that an emergency exists necessitating that this ordinance take effect immediately

upon proper passage by the whole membership of the City Council, and that the same is exempt from SEPA review under WAC 197-11-880.

Section 6. 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 7. Effective Date. This ordinance, as a public emergency ordinance necessary for the protection of the public health, safety, property, and welfare, shall take effect and be in full force and effect immediately upon its proper passage by the City Council as provided under RCW 35A.13.190.

Passed unanimously by the City Council of the City of Mercer Island, Washington, at its regular meeting on June 2, 2020, and signed in authentication of its passage.

CITY OF MERCER ISLAND



Benson Wong, Mayor

ATTEST:



Deborah A. Estrada, City Clerk

Approved as to Form:

/s/

Bio Park, City Attorney

Date of Publication: June 10, 2020

**CITY OF MERCER ISLAND
ORDINANCE NO. 20-18**

**AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON;
AMENDING THE SCOPE OF MORATORIUM ADOPTED BY ORDINANCE 20-
12; ADOPTING ADDITIONAL FINDINGS OF FACT; 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 or acceptance 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 south of SE 29th Street within the Town Center (TC) zone at Mercer Island; and

WHEREAS, Ordinance No. 20-12 also called for a public hearing to be scheduled before August 01, 2020 to receive public comments related to the adoption of the moratorium; and

WHEREAS, the City Council held the public hearing on July 21, 2020 and received public comments on the moratorium, consistent with the requirements set forth in RCW 35A.63.220 and RCW 36.70A.390; 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 needs of residents; and

WHEREAS, the City Council has determined the bounds of the moratorium should be limited to the area within the Town Center (TC) zone south of SE 29th Street, east of 77th Avenue SE, and west of 80th Avenue SE; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Moratorium Amended. The scope of the moratorium adopted in Section 1 of Ordinance 20-12 is amended as follows:

Mercer Island City Council hereby imposes a six month moratorium on the submission or acceptance 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 ~~south of SE 29th Street~~ within the Town Center (TC) zone at Mercer Island south of SE 29th Street, east of 77th Avenue SE, and west of 80th Avenue SE. All applications subject to this moratorium received by the City shall be rejected and returned to the applicant.

Section 2. Map of Moratorium. A map depicting generally the area covered by the moratorium adopted by Ordinance 20-12 as amended and narrowed by Section 1 of this ordinance is attached as Exhibit One.

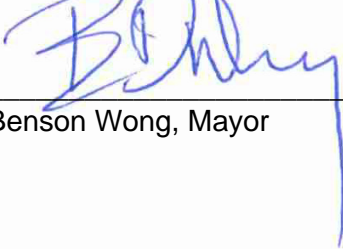
Section 3. Whereas Clauses Adopted. The "Whereas Clauses" set forth in the recital section above are hereby adopted as additional findings of the City Council for adopting the moratorium in Ordinance 20-12, as amended by this ordinance.

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. Effective Date. This ordinance shall take effect and be in force 5 days after its passage and publication.

Passed by the City Council of the City of Mercer Island, Washington, at its regular meeting on September 1, 2020, and signed in authentication of its passage.

CITY OF MERCER ISLAND



Benson Wong, Mayor

Approved as to Form:

/s/ Bio Park 9/1/2020

Bio Park, City Attorney

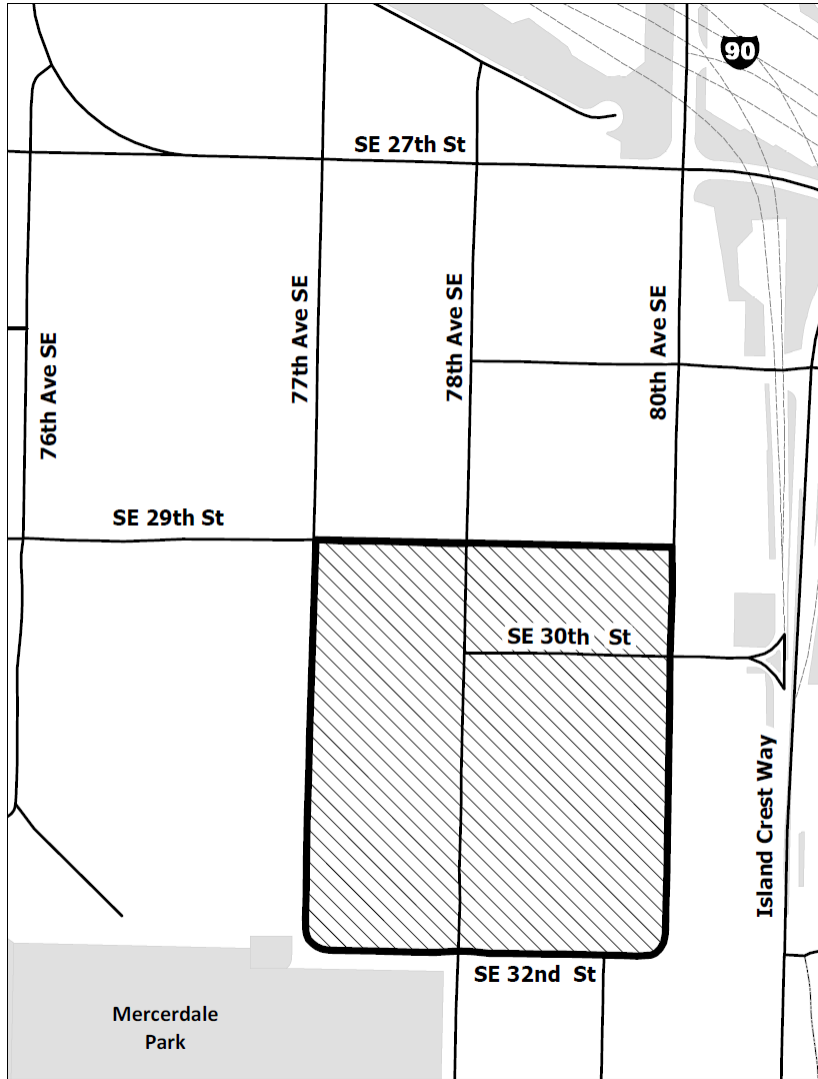
Date of Publication: September 9, 2020

ATTEST:



Deborah A. Estrada, City Clerk

Exhibit One



**CITY OF MERCER ISLAND
ORDINANCE NO. 20-26**

**AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON;
RENEWING THE MORATORIUM ADOPTED BY ORDINANCE NO. 20-12
AS AMENDED BY ORDINANCE NO. 20-18; PROVIDING FOR
SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, the City Council may adopt an immediate moratorium for a period of up to six months on the acceptance of building and development permit applications for major new construction as long as the City Council holds a public hearing on the proposed moratorium within sixty days after adoption, pursuant to RCW 35A.63.220 and RCW 36.70A.390; and

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 29th 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 29th Street, east of 77th Avenue SE, and west of 80th Avenue SE, and to include additional findings of fact; and

WHEREAS, the moratorium is set to expire on December 02, 2020, unless otherwise repealed, extended or modified by the City Council; and

WHEREAS, consistent with RCW 35A.63.220 and RCW 36.70A.390, the City Council held a public hearing on November 17, 2020 to adopt findings of fact supporting and justifying the renewal of the moratorium for another 6-months, and to implement a work plan to consider the preparation and adoption of changes to the Town Center development regulations; and

WHEREAS, because implementation of a work plan to consider the preparation and adoption of changes to the Town Center development regulations will require additional time to complete, the City Council finds that the moratorium should be renewed pursuant to RCW 35A.63.220 and 36.70A.390 for an additional six months to avoid the risk that one or more applicants could vest to the existing development code if the current moratorium expires;

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. Moratorium Renewed.** The moratorium imposed by Ordinance No. 20-12, as amended by Ordinance No. 20-18, shall be renewed on December 02, 2020 for a period of six months, unless earlier repealed, extended or modified by the City.
- Section 3. Public Hearing.** A public hearing was noticed and completed on November 17, 2020 to hear and consider the comments and testimony of those wishing to speak regarding the renewal of the moratorium enacted by this ordinance.
- 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 November 17, 2020, and signed in authentication of its passage.

CITY OF MERCER ISLAND

Benson Wong, Mayor

Approved as to Form:

ATTEST:

/s/

Bio Park, City Attorney

Deborah A. Estrada, City Clerk

Date of Publication: _____



Town Center Moratorium Renewal

Public Hearing & Ordinance

November 17, 2020

AB 5779

Background

- Ordinance 20-12 enacted Town Center (TC) moratorium for portion of sub area.
- Ordinance 20-18 subsequently modified TC moratorium boundary and added findings of fact.
- Direction for TC retail analysis scope and budget appropriation.
- Current moratorium expires December 2, 2020.



Next Steps

1. November 17, 2020: Renew Moratorium
2. December 1, 2020: Adopt Biennial Budget
3. December 1, 2020: Set 2021 Docket
4. Q1 2021: Complete TC Retail Analysis
5. Q2 2021: Process Directed Amendments*
6. May 2021: Renew Moratorium* *If Necessary



Recommendation

1. Conduct Public Hearing and consider testimony on Ordinance 20-26.
2. Suspend City Council Rules of Procedure 6.3.
3. Adopt Ordinance 20-26 as presented to renew Town Center moratorium to June 2, 2021.





BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5780
November 17, 2020
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 5780: ARCH 2021 Work Plan and Budget Approval	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Approve the ARCH 2021 Work Plan and Administrative Budget and the 2021-2022 Contributions to the ARCH Housing Trust Fund.	

DEPARTMENT:	Community Planning and Development
STAFF:	Alison Van Gorp, Deputy Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. ARCH 2020 Budget and Work Program Memo
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

On October 6, 2020, the City Council received an overview of A Regional Coalition for Housing’s (ARCH) 2021 Administrative Budget, Work Plan, and funding considerations for the 2021-2022 Housing Trust Fund contributions (see [AB 5757](#)). The purpose of this agenda bill is to approve ARCH’s 2021 budget and work plan. In addition, the City Council needs to determine the City’s contribution to the Housing Trust Fund (HTF) for 2021-2022, which will be adopted as a part of the biennial budget on December 1, 2020.

ARCH 2021 Administrative Budget and Work Program

Each year, the ARCH Executive Board develops and approves a work program and administrative budget that is shared with member City Councils for approval, as required by the ARCH Interlocal Agreement. The administrative budget supports staffing and other costs associated with implementing the 2021 work program (see Exhibit 1). The 2021 ARCH Administrative Budget totals \$1,155,261. Each ARCH member City pays a share of the administrative budget, based on population. This year, member city contributions have been held flat at 2020 levels. Mercer Island’s share of the operating budget in 2021 is \$50,222 or 4.3% of the total ARCH budget. City staff also recommend including a placeholder of \$51,729 for the ARCH administrative budget in 2022, which reflects a 3% increase over 2021. The City Council will have the opportunity to review and approve the 2022 work plan and administrative budget in the fall of 2021.

Housing Trust Fund (HTF) Contributions

In addition to providing administrative support to ARCH, the City also contributes to the HTF to directly support the creation of affordable housing through new construction and preservation projects. These contributions play an important role in helping to meet the rapidly growing demand for affordable housing in East King County.

The City Council must now determine the desired contribution level to the HTF for the next two years. The ARCH Executive Board has adopted “Parity Goals” to assist jurisdictions in identifying HTF contributions in a way that fosters equitable investment across the member jurisdictions. Mercer Island’s Parity Goal range for the upcoming fiscal year is \$18,146 to \$150,045.

In the 2019-2020 biennium, the City budgeted \$100,000 (\$50,000 per year) to contribute to the HTF. The City’s 2020 contribution was later reduced from \$50,000 to \$33,768 and the difference was reallocated to the Rental Assistance program operated by the Youth and Family Services Department to mitigate the local economic impacts of the COVID-19 Pandemic.

The 2021-2022 Preliminary Budget currently includes a placeholder of \$50,000 per year for the HTF, the City’s pre-pandemic contribution level. Staff requests City Council’s direction on the HTF contribution amount for inclusion in the 2021-2022 biennial budget.

RECOMMENDATION

1. Approve the ARCH 2021 Work Plan, allocate \$50,222 for the 2021 ARCH Administrative Budget, and allocate \$51,729 as a placeholder for the 2022 ARCH Administrative Budget.
2. Allocate [\$50,000] annually to the ARCH Housing Trust Fund for 2021 and 2022.

MEMORANDUM

Date: May 29, 2020

From: Lindsay Masters, ARCH Executive Manager
To: ARCH Member Councils

Subject: ARCH 2021 Budget and Work Program

Please find attached the 2021 ARCH Budget and Work Program, which was for adopted for recommendation by a unanimous vote of the ARCH Executive Board on April 20, 2020. This memo provides an overview of the recommendation, including the key principles that guided the proposal, highlights from the budget and work program, and information on ARCH's ongoing work to facilitate affordable housing projects and planning.

Background and Principles

In accordance with the ARCH Interlocal Agreement, each year the ARCH Executive Board is responsible for delivering a recommended budget and work program to member councils by June 1 for the following calendar year. In light of the extraordinary challenges currently facing ARCH member communities, the proposed Budget and Work Program for 2021 was developed with the following core principles in mind:

- Acknowledge and prepare for fiscal impacts from the current public health crisis.
- Preserve existing assets to ensure no net loss of affordable housing.
- Continue to make progress on current projects and planning to the greatest extent possible.

These principles recognize the very real economic hardships faced by local governments, while also demonstrating a continued commitment to creating and preserving safe, stable and affordable housing for members of the community also suffering from economic impacts. Now more than ever, we recognize the value of safe, stable and affordable homes for all members of the community.

2021 Administrative Budget and Work Program

The recommended 2021 Administrative Budget and Work Program are shown in **Attachments 1 and 2.**

Administrative Budget

- Member dues are held constant at 2020 levels
- Planned expenses are limited to the minimum necessary to preserve current operations and staffing
- New administrative fees are established to cover any inflation in costs from 2020 and help replenish operating reserves while mitigating any impacts to member dues

Work Program

- ARCH's core services are maintained, including critical monitoring and stewardship functions that will ensure preservation of existing affordable housing assets.
- Priorities established in 2020 are carried over into 2021, reflecting an ongoing commitment to preserve and expand housing opportunities to the greatest extent possible, including:
 - Provide excellent stewardship of affordable housing assets
 - Finalize and begin reporting on measurable goals for production and preservation of affordable housing across ARCH member communities
 - Continue to support proposals for dedicated revenue sources for the Housing Trust Fund to expand production of affordable housing.
 - Recommend options for expanding ARCH's capacity to accomplish its broader mission.
 - Seek opportunities to advance projects and programs with high potential impact and facilitate projects in the pipeline to the greatest extent possible.
 - Respond to emerging needs identified by local communities and member jurisdictions.

Continued Improvements to Monitor and Steward Affordable Units

ARCH is continuing to make significant improvements in monitoring and stewardship of existing affordable housing to ensure long-term preservation of these valuable community resources. Based on a consultant evaluation in 2019, the ARCH Executive Board approved and member councils concurred with the decision to dedicate two new staff positions to these functions.

The staffing levels established in 2019 were the minimum amount deemed necessary to carry out essential responsibilities, given the major growth in the portfolio overseen by ARCH without any growth in staffing since the early-2000s. The value of this portfolio is now immense, saving renter households roughly \$50 million annually in rent, and bringing ownership opportunities below market by roughly \$375 million to create a pathway to homeownership for many low to middle income households.

The addition of staff capacity, together with a continuing commitment by ARCH's board and management on preserving and strengthening existing programs, has resulted in the following improvements:

Rental Program

- Developed written policies and standard forms to ensure consistent documentation and procedures for verifying income eligibility
- Established procedures for routine on-site file audits to verify compliance data submitted in annual reports
- Expanded data collection and analysis to evaluate program outcomes, and developed a dashboard to track program metrics
- Developed web-based training and resources to train property managers on compliance requirements

Homeownership Program

- Established a comprehensive database to track affordable homes
- Adopted procedures for annual monitoring of owner occupancy requirements
- Conducted in-depth analysis of resale data and adopted a standardized resale formula that, together with modifications to initial home pricing, will better preserve long-term affordability
- Developed a program manual of policies and procedures to ensure clear and consistent implementation of program rules
- Refined income eligibility requirements to ensure affordable homes go to buyers without significant assets
- Adopted a priority policy for buyer selection to target newly developed homes based on income, household size, first time homebuyer status and residency or employment within the community
- Adopted procedures to extend the term of affordability when homes are re-sold
- Adopted administrative fees to strengthen the financial sustainability of the program
- Began tracking demographic information of buyers and applicants on the waitlist, and developed a dashboard to report on key demographic measures

In addition to the above improvements, ARCH staff have stepped up efforts to respond to the growing number of community members in need, providing assistance and referrals to renters and homeowners to a range of resources.

Housing Trust Fund Contributions / HB 1406 Sales Tax

Separate from contributions to ARCH's administrative budget, each year ARCH member jurisdictions are encouraged to contribute on a voluntary basis toward the ARCH Housing Trust Fund (see **Attachment 3** for updated Parity Goals for each jurisdiction). The Trust Fund is a critical program with a long and successful track record of financing local affordable housing projects, which are developed by mission-driven agencies and carefully vetted by a Citizen Advisory Board each year.

The need and demand for these resources remains urgent. In 2019, ARCH received applications for a record \$19 million in funding for development of affordable housing, and

was able to recommend approximately \$5 million based on available funds from 2018 and 2019. These awards will have an important impact in expanding both the production of affordable homes and emergency shelter capacity on the Eastside, but left some projects partially funded with the intent of providing full funding in subsequent funding rounds. In addition, ARCH is working with multiple jurisdictions to ensure affordable housing is included within transit-oriented development projects. These opportunities are also dependent on securing critical public investment.

In 2019, ARCH provided a recommendation memo encouraging all members to implement the sales tax authorized by HB 1406, which allows local jurisdictions to retain a portion of the state's sales tax for affordable housing and related uses. Recognizing the significant impacts to local general funds already materializing from the current public health crisis, ARCH urges all member jurisdictions to ensure timely passage of the required ordinance by the deadline of July 27, 2020 to ensure this valuable revenue stays with local communities.

Conclusion

The ARCH coalition continues to serve an incredible need on the Eastside. The affordable homes created through cooperative local actions and funding over the last three decades are more valuable than ever, as the need for homes that provide stability and affordability is growing dramatically. ARCH remains committed to preserving these assets for the community long-term, and seeking strategic opportunities to continue facilitating additional housing opportunities for the growing number of households in need.

Attachments:

1. 2021 ARCH Administrative Budget
2. 2021 ARCH Work Program
3. Housing Trust Fund Parity Goals

Attachment 1

2021 ARCH Administrative Budget

Final Adopted by Executive Board

April 2020

	2020 Budget	Final 2021 Budget	
	2020 Approved Budget	2021 Recommended Budget	% Change
I. TOTAL EXPENSES	\$ 1,110,097	\$ 1,155,261	4.1%
A. Personnel	\$ 1,003,399	\$ 1,039,303	3.6%
Salary and Benefits (7.0 FTEs, 2 part-time interns)	\$ 1,003,399	\$ 1,039,303	3.6%
B. Operating	\$ 67,195	\$ 76,456	13.8%
Rent & Utilities	\$ 24,780	\$ 24,780	0.0%
Telephone	\$ 4,586	\$ 5,500	19.9%
Travel/Training	\$ 2,600	\$ 2,730	5.0%
Auto Mileage	\$ 3,500	\$ 3,605	3.0%
Copier/Printing Costs	\$ 1,803	\$ 1,893	5.0%
Office Supplies	\$ 3,100	\$ 3,255	5.0%
Internet/Website Fees	\$ 2,215	\$ 2,326	5.0%
Postage	\$ 1,500	\$ 1,575	5.0%
Periodical/Membership	\$ 4,112	\$ 4,317	5.0%
Misc. (events, etc.)	\$ 2,000	\$ 2,100	5.0%
Equipment Replacement	\$ 2,000	\$ 3,000	50.0%
Database/software licensing	\$ 15,000	\$ 18,375	22.5%
Relocation Costs		\$ 3,000	N/A
C. In-Kind Admin/Services	\$ 19,503	\$ 19,503	0%
Insurance	\$ 9,660	\$ 9,660	
IT Services	\$ 9,843	\$ 9,843	
D. Grants and Consultant Contracts	\$ 20,000	\$ 20,000	0%
Consultant Contracts	\$ 20,000	\$ 20,000	0%

	2020 Approved Budget	2021 Recommended Budget	%
			Change
		City Per Capita \$1.98	
		KC Per Capita \$0.93	
II. TOTAL INCOME	\$ 1,110,097	\$ 1,155,261	4.1%
A. Member Contributions	\$ 1,103,897	\$ 1,103,897	0.0%
Beaux Arts Village	\$ 2,000	\$ 2,000	0.0%
Bellevue	\$ 281,876	\$ 281,876	0.0%
Bothell	\$ 89,384	\$ 89,384	0.0%
Clyde Hill	\$ 6,551	\$ 6,551	0.0%
Hunts Point	\$ 2,000	\$ 2,000	0.0%
Issaquah	\$ 72,244	\$ 72,244	0.0%
Kenmore	\$ 44,921	\$ 44,921	0.0%
Kirkland	\$ 175,946	\$ 175,946	0.0%
Medina	\$ 6,523	\$ 6,523	0.0%
Mercer Island	\$ 50,222	\$ 50,222	0.0%
Newcastle	\$ 23,006	\$ 23,006	0.0%
Redmond	\$ 123,104	\$ 123,104	0.0%
Sammamish	\$ 127,494	\$ 127,494	0.0%
Woodinville	\$ 23,673	\$ 23,673	0.0%
Yarrow Point	\$ 2,401	\$ 2,401	0.0%
King County	\$ 75,000	\$ 75,000	0.0%
Bellevue Detail	\$ 281,876	\$ 281,876	0%
Cash Contributions	\$ 86,673	\$ 86,173	
In-Kind Contributions	\$ 195,203	\$ 195,703	
Personnel	\$ 175,700	\$ 176,200	
Insurance	\$ 9,660	\$ 9,660	
IT Services	\$ 9,843	\$ 9,843	
B. Other Income	\$ 6,200	\$ 51,364	728.5%
<i>New Homeownership Program Fees</i>	\$ -	\$ 45,064	
Existing Administrative Fees	\$ 4,200	\$ 4,200	
Interest Earned	\$ 2,000	\$ 2,100	

III. RESERVES, CONTINGENT INCOME AND EXPENSES

Note: This section expresses intended use of any excess revenues above levels needed to cover basic operating costs.

A. Contingent Expenses

<i>Replenish operating reserves</i>	\$ -	\$ 150,936	N/A
Homeownership Program Staffing/Expenses	\$ 150,000	\$ -	-100%
Other Staffing/Services	\$ 150,000	\$ -	-100%

B. Contingent Revenue

Excess Administrative Fees	\$ 150,000	\$ 150,936	1%
Service Fees	\$ 150,000	\$ -	-100%

ARCH WORK PROGRAM: 2021

2021 Priorities

In 2021, ARCH will elevate the following priorities in its Work Program:

- Provide excellent stewardship of affordable housing assets
- Finalize and begin reporting on measurable goals for production and preservation of affordable housing in the ARCH region
- Continue to support proposals for dedicated revenue sources for affordable housing
- Recommend options for expanding ARCH's capacity to accomplish its broader mission
- Seek opportunities to advance projects and programs with high potential impact and facilitate projects in the pipeline to the greatest extent possible
- Respond to emerging needs identified by local communities and member jurisdictions

I. AFFORDABLE HOUSING INVESTMENT

A. ARCH Housing Trust Fund

Parity Goals. Develop updated goals for member investments through the ARCH HTF.

Annual Funding Round. Develop funding priorities and evaluation criteria for the annual funding round. Advertise available funds and manage a competitive process on behalf of member cities. Review funding applications and develop recommendations through the Citizen Advisory Board (CAB), with input from member staff. Develop final recommendations by the ARCH Executive Board and facilitate final funding allocations through member councils.

Public Funding Coordination. Work collaboratively with public funders at the State and local levels to promote shared affordable housing goals and equitable geographic distribution of resources. Review and provide input to other funders for Eastside projects that apply for County (HOF, RAHP, HOME, TOD, etc.) and State (Tax Credit, State Housing Trust Fund) funds. Provide input to the King County Joint Recommendations Committee (JRC) on behalf of participating Eastside jurisdictions. Assist N/E consortium members with evaluating and making a recommendation to the County regarding CDBG allocations to affordable housing.

Private Funding Coordination. Work with private investors and lenders to maximize leverage of public investment into affordable housing. Negotiate maximum public benefits from investment of housing funds into private projects.

Project Pipeline Management. Work with member cities and project sponsors to develop a robust pipeline of projects to be funded over the next five years (see related work on Transit Center sites, below). Actively vet potential HTF projects, and lead funding policy and prioritization discussions with the ARCH Executive Board to facilitate planning and decision-making.

Contract Development and Monitoring. Prepare contract documents and distribute funds for awarded projects. Monitor funded projects including evaluating performance and tracking loan payments. Monitor for long term sustainability of previously funded projects.

Centralized Trust Fund Reporting. Work with Administering Agency (Bellevue) to maintain records and produce regular financial reports for the ARCH Trust Fund accounts.

B. Special Projects

Transit-Oriented Development Sites. Assist cities with advancing and coordinating affordable housing projects near transit. Partner with Sound Transit, King County Metro and other public agencies to maximize opportunities on public property. Current opportunities include sites in Bel-Red, Overlake, Downtown Redmond, Issaquah, Kirkland, Bothell, and Kenmore.

Surplus Property/Underdeveloped Property. Assist with evaluation of public surplus or underutilized private property (e.g. faith community properties) for suitability of affordable housing. Provide technical assistance to property owners interested in supporting affordable housing. Develop an inventory of promising public and nonprofit property and begin to engage owners to gauge interest in disposition for housing.

Eastside Shelter Capacity. Support efforts by Eastside shelter providers, Eastside Human Services Forum, and member cities to implement an East King County sub-regional strategic approach to shelter and related services for homeless adults and families. Support the construction of a permanent year-round men's shelter, and support efforts by member jurisdictions to fund long-term operations of shelter for men, women, families, youth and young adults.

Preservation of At Risk Affordable Housing. Work with member cities to facilitate acquisitions or other strategies to preserve existing housing where affordability is at risk of being lost, including at-risk manufactured housing communities. As needed, assist with responding to notices of sale of HUD assisted properties received by member cities, or other information indicating an impending loss of existing affordable housing.

Strategic Predevelopment Investment. With approval of the Executive Board invest in predevelopment studies to investigate feasibility and financial efficiency of special projects.

II. HOUSING POLICY AND PLANNING

A. Local Policy, Planning and Code Development

ARCH provides assistance directly to member cities on a range of local planning efforts. Local planning efforts with individual member cities may be found in *Attachment A*. These efforts may take different forms, such as:

- **Housing Element Updates.** Work with members to update comprehensive plan housing elements.
 - Prepare an east King County housing needs analysis with focused analyses for each city—including projected affordable housing needs—to fulfill GMA requirements.
 - Coordinate local and ARCH affordable housing goals with King County Affordable Housing Committee and Countywide Planning Policies.
 - Assist with policy writing, outreach, presentations, etc. as needed.
- **Housing Strategy Plans.** Assist members to prepare housing strategies to implement housing elements and create council work plans. Cities with recently completed strategy plans include Bellevue, Issaquah, Kenmore, Bothell, Kirkland, Redmond, and Sammamish.
- **Incentive Program Design.** Provide economic analysis and policy and program development support to design housing incentive programs, including land use, property tax, impact fee waivers and other incentives.
- **Land Use Code Amendments.** Assist city staff on land use and other code amendments in order to implement comprehensive plan policies.
- **Other Support.** Other areas in which ARCH could provide support to member cities include preservation of valuable community housing assets, assistance to households displaced by development activity, or negotiation of agreements for specific development proposals. ARCH views this as a valuable service to its members and will continue to accommodate such requests to the extent they do not jeopardize active work program items.

B. Inter-Local / Eastside Planning Activities

Interlocal planning activities are coordinated by ARCH for the benefit of multiple members.

ARCH Regional Affordable Housing Goals and Reporting. Work with member staff and the ARCH Executive Board to report on adopted goals for production and preservation of affordable housing across ARCH member communities.

Eastside Equitable Transit-Oriented Development Plan. Partner with transit agencies and other stakeholders to plan for equitable transit-oriented development on the Eastside. Define shared policy goals and strategies, establish numerical goals for affordable unit production, advance specific site opportunities and manage the affordable housing funding pipeline.

Long-Term Funding/Dedicated Revenue Strategy. Continue work on a long-term funding strategy for the ARCH Trust Fund. Facilitate conversations with member cities on identifying and exploring dedicated sources of revenue for affordable housing at the local and regional level (e.g., REET, property tax levy, 0.1% sales tax, etc.). Provide relevant data and develop options for joint or individual revenue approaches across ARCH member cities and determine any shared state legislative priorities to authorize local options for funding.

Eastside Housing Data Analysis. On an annual basis, provide local housing and demographic data as available. Make information available to members for planning efforts and incorporate into ARCH educational materials.

Housing Diversity/Accessory Dwelling Units (ADUs). Continue to support a diversity of housing options among member cities:

- Accessory Dwelling Units (ADUs): Explore outreach and other ways to promote ADU development (e.g., improve online resources, provide connections to financing options). Explore partnership with eCityGov Alliance to increase accessibility of ADU permitting (e.g., update tip sheets and create streamlined portal through MyBuildingPermit.com). Explore a centralized system for tracking ADU production.
- Facilitate sharing of best practices for encouraging “missing middle” housing types.
- Help jurisdictions develop strategies and codes to address emerging housing types, like micro-housing, small efficiency dwelling units, and others.

C. State Legislative Activities

The ARCH Executive Board will discuss and explore shared legislative priorities for advancing affordable housing in the region. ARCH staff will track relevant state (and, where feasible, federal) legislation. As needed, staff will report to the Executive Board and members, and coordinate with relevant organizations (e.g. AWC, SCA, WLIHA, HDC) to advance shared legislative priorities.

D. Regional/Countywide Planning Activities

ARCH participates in regional planning efforts to advance Eastside priorities and ensure that perspectives of communities in East King County are voiced in regional housing and homelessness planning.

King County GMPC Affordable Housing Committee / Housing Inter-Jurisdictional Team (HIJT). Support efforts to advance the five-year action plan developed by the Regional Affordable Housing Task Force (RAHTF) in 2018. ARCH will help staff the HIJT, which provides support to the Growth Management Planning Council’s Affordable Housing Committee (AHC).

Regional Affordable Housing Task Force Action Plan. In addition to staffing the GMPC committee, pursue other opportunities to advance strategies called for in the RAHTF Action Plan. Facilitate discussions as needed with members and the Executive Board to consider actions recommended in the five-year plan.

All Home/ Eastside Homeless Advisory Committee (EHAC). Collaborate with All Home, EHAC and other relevant organizations and initiatives to advance shared work on homelessness. Coordinate allocation of resources, and work on specific initiatives (e.g., coordinated entry and assessment for all populations).

Explore Collaboration with Cities in North and East King County. As requested, engage cities interested in supporting affordable housing in north and east King County that are not currently members of ARCH. Explore collaboration that provides benefits for additional cities and current ARCH member cities.

III. HOUSING PROGRAM IMPLEMENTATION

A. Administration of Housing Incentive and Inclusionary Programs

ARCH partners with member cities to administer local housing incentive and inclusionary programs, including mandatory inclusionary, voluntary density bonus, multifamily tax exemption (MFTE) and other programs. Specific programs administered by ARCH include:

Jurisdiction	Incentive/Inclusionary Programs
Bellevue	Voluntary density bonuses, MFTE, impact fee waivers.
Bothell	Inclusionary housing.
Issaquah	Development agreements, voluntary and inclusionary programs, impact and permit fee waivers.
Kenmore	Voluntary density bonuses, MFTE, impact fee waivers.
Kirkland	Inclusionary program, MFTE.
Mercer Island	Voluntary density bonus, MFTE.
Newcastle	Inclusionary program, impact fee waivers.
Redmond	Inclusionary program, MFTE.
Sammamish	Inclusionary and voluntary density bonuses, impact fee waivers.
Woodinville	MFTE.
King County	Development agreements.

ARCH roles and responsibilities will typically include:

- Communicate with developers/applicants and city staff to establish applicability of codes and policies to proposed developments
- Review and approve proposed affordable housing (unit count, location/distribution, bedroom mix, and quality)
- Review and recommend approval of MFTE applications.
- Review and recommend approval of alternative compliance proposals
 - For fee in lieu projects, provide invoices and receipts for developer payments
- Develop contracts and covenants containing affordable housing requirements
- Ensure implementation of affordable housing requirements during sale/lease-up
- Register MFTE certificates with County Assessor and file annual MFTE reports with state Commerce.
- On-going compliance monitoring (see Stewardship, below).

[MyBuildingPermit.com](#). Explore feasibility of using MyBuildingPermit.com to take in, review, and process projects (covenants) using land use and/or MFTE programs.

B. Stewardship of Affordable Housing Assets

ARCH provides long-term oversight of affordable housing created through city policies and investment to ensure stewardship of these critical public assets for residents, owners and the broader community.

Affordable Rental Housing Monitoring. Enforce ongoing compliance with affordability requirements in rental housing projects created through direct assistance (e.g. Trust Fund allocation, land donations) from member jurisdictions, and through incentive and inclusionary programs. For Trust Fund projects, monitor project income and expenses to determine cash flow payments, and conduct long-term sustainability monitoring of projects and owners. Proactively problem-solve financial and/or organizational challenges in partnership with project owners and other funders.

Administer a robust compliance monitoring program, including:

- Ensure compliance with rent and income restrictions through timely annual report reviews and supplemental on-site file audits
- Provide training and technical assistance for property managers
- Maintain written standards for eligibility, leasing and other program requirements
- Implement standard remedies for non-compliance
- Respond to tenant issues and questions

In addition, work with cities to implement fee structures that build more sustainable monitoring efforts, and develop formal MOUs with other funders to govern shared monitoring responsibilities. To the extent feasible, establish working relationship with other public organizations that can help assess how well properties are maintained and operated (e.g. code compliance, police, and schools).

ARCH Homeownership Program Stewardship. Provide effective administration to ensure ongoing compliance with affordability and other requirements in ARCH ownership housing, including enforcement of resale restrictions, buyer income requirements, and owner occupancy requirements. Implement adopted policies and procedures for monitoring and work with cities to address non-compliance.

Continue to implement long-term recommendations in the 2019 Program Assessment from Street Level Advisors that support the program objective of preserving long-term affordability, including:

- Work with member planning and legal staff to make improvements to boilerplate legal documents, in consultation with key stakeholders and outside counsel, as needed
- Develop strategies to preserve homes at risk of foreclosure
- Preserve expiring units and pursue strategies to re-capture lost affordability
- Pursue offering brokerage services to provide cost-savings to homebuyers and diversify program revenue
- Plan for additional staff capacity as the number of ARCH homes continues to grow.
- Implement program fees to ensure program financial sustainability

Program Database Development. Continue to improve and refine use of new ARCH Homeownership Program database to collect critical program data and evaluation, compliance monitoring, communication with program participants, and other key functions. Continue to improve and streamline data systems for ARCH Rental Program.

IV. EDUCATION AND OUTREACH

A. Housing 101/Education Efforts

Housing 101. Develop educational tools and conduct or support events to inform councils, member staff and the broader community of current housing conditions, and of successful housing programs. Build connections with community groups, faith communities, developers, nonprofits and others interested in housing issues. Plan and conduct a Housing 101 event to occur no later than the end of 2021.

Private Sector Engagement. Support efforts by ARCH member cities to engage employers and private sector entities in discussions around the need for more affordable housing and identifying options for public-private partnerships.

Share media coverage on topics related to affordable housing in East King County, including work done by cities/ARCH.

B. Information and Assistance for the Public

ARCH Website. Update information on the ARCH website on a regular basis, including information related to senior housing opportunities. Maintain the ARCH web site and update the community outreach portion by incorporating information from Housing 101 East King County, as well as updated annual information, and links to other sites with relevant housing information (e.g. All Home, HDC). Add information to the website on ARCH member affordable incentive programs and fair housing.

Assist Community Members Seeking Affordable Housing. Maintain up-to-date information on affordable housing in East King County (rental and ownership) and distribute to people looking for affordable housing. Continue to maintain a list of households interested in affordable ownership and rental housing and advertise newly available housing opportunities.

Work with other community organizations and public agencies to develop appropriate referrals for different types of inquiries received by ARCH (e.g., rapid re-housing, eviction prevention, landlord tenant issues, building code violations, fair housing complaints, etc.).

C. Equitable Access to Affordable Housing in East King County

Collect and analyze data on existing programs to determine potential gaps in access by different populations, such as communities of color, immigrant and refugee communities, homeless individuals and families, and workers in EKC commuting from other communities. Pursue strategies to increase access to affordable housing in EKC by underserved communities. Develop outreach and marketing efforts to maximize awareness of affordable housing opportunities in East King County, and build partnerships with diverse community organizations.

V. ADMINISTRATION

A. Administrative Procedures

Maintain administrative procedures that efficiently and transparently provide services to both members of ARCH and community organizations utilizing programs administered through ARCH. Activities include:

- Prepare the Annual Budget and Work Program and ensure equitable allocation of administrative costs among ARCH members.
- Prepare quarterly budget performance and work program progress reports, Trust Fund monitoring reports, and monitor expenses to stay within budget.
- Manage the ARCH Citizen Advisory Board, including recruiting and maintaining membership that includes broad geographic representation and a wide range of housing and community perspectives.
- Staff the Executive Board.
- Work with Administering Agency to streamline financial systems.
- Review and update bylaws and ensure timely renewal of the ARCH Interlocal Agreement.

B. Organizational Assessment and Planning

The ARCH Executive Board will continue to evaluate ARCH's organizational capacity to accomplish its Work Program and broader mission. The Board will review ARCH's organizational structure, staffing resources, capital resources and other foundational aspects of the organization to determine any gaps, and assess options for expanding organizational capacity. The assessment will result in recommendations for the following year's work program and budget.

*Attachment A
Local Planning Efforts by City*

ARCH staff plan to assist members' staff, planning commissions, and elected councils in the following areas:

Bellevue

Implementing Bellevue's Affordable Housing Strategy, including:

- Increasing development potential on suitable land owned by public agencies, faith-based groups, and non-profits housing entities.
- Reviewing parking requirements and other code changes to encourage micro-apartments around light rail stations.
- Updating Wilburton and East Main neighborhood plans, including affordable housing density incentives.
- Developing funding strategy for affordable housing on suitable public lands in proximity to transit hubs including 130th TOD parcels and TOD parcels at the OMFE.

Bothell

Implementing its Housing Strategy Plan.

Establishing an MFTE program.

Evaluating affordable housing provisions related to zoning and other code amendments and implementing those adopted.

Work related to affordable housing component of the city's LIFT program in their downtown areas. Includes assisting with any reporting requirements and potentially exploring additional opportunities for affordable housing on private and city owned properties in the downtown revitalization area.

Evaluating the updated state legislation regarding impact fee waivers for affordable housing and explore potential revisions to local regulations related to impact fee waivers for affordable housing.

Evaluating and implementing affordable housing strategies in its Canyon Park plan.

Supporting updates to policies and codes for affordable housing options, including ADUs, micro-housing, small efficiency dwelling units, and "missing middle" housing.

Issaquah

Preparing the annual Affordable Housing Report Card/Analysis.

Updating and consolidating Title 18 and Central Issaquah Development and Design Standards.

Evaluating and, as needed, implementing development standards and regulations related to the housing policies adopted in the Central Issaquah Plan and Central Issaquah Standards, including inclusionary zoning.

Evaluating and strategizing sequencing potential projects/opportunities such as those near transit facilities, including coordination with potentially utilizing the King County TOD funds.

Initial work on high priority strategies identified in the Housing Strategy Work Plan including:

- Improving marketing and the understanding of ADUs and the development process.
- Facilitating development of a TOD.
- Amending codes to increase allowed diverse housing types such as SROs and cottage housing.
- Supporting housing options and services to assist people experiencing housing insecurity and those with barriers to independent living.

Marketing and maximizing awareness of affordable housing opportunities in Issaquah.

Kenmore

Implementing a high priority item identified in the Housing Strategy Plan.

Completing the Preservation of Affordable Housing/Mobile Home Park project started in 2018, including assistance with developing regulations to implement Council's policy direction on land use and other strategies.

Assisting with technical questions, provide supporting data as needed, and:

- Review proposed code provisions for "missing middle" housing.
- Negotiating agreements where affordable housing is proposed including the Transit Oriented District (TOD) overlay.

Reviewing and developing options and opportunities for partnerships to incorporate affordable housing into transit projects including the siting of parking structures in Kenmore for the Sound Transit ST3 proposal.

Kirkland

Implementing programs to encourage construction of more ADUs.

Housing-related issues in on-going neighborhood plan updates.

Developing regulations to promote transit-oriented development (TOD) at the Kingsgate Park and Ride, including affordable housing.

Housing issues that come before Council Planning and Economic Development Committee and resulting initiatives.

Housing issues related to Station Area Plan (I-405/NE 85th Street).

Affordable housing preservation efforts and initiatives.

Scoping potential affordable housing levy options.

Mercer Island

Reviewing the City's MFTE program and evaluating options for a fee-in-lieu alternative to land use requirements.

Updating the Housing Strategy Plan.

Reviewing components of residential development standards that are associated with housing stock diversity.

Newcastle

Updating the Housing Strategy Plan.

Outreach efforts related to ADUs.

Redmond

Implementing strategies to increase the level of affordability for new housing in Overlake and Southeast Redmond as part of the development of master plans and development agreements, including exploring ways to leverage other resources.

Promoting affordable housing and other programs available to Redmond residents and developers, e.g., Accessory Dwelling Units (ADUs).

Implementing other high priority items identified in the City Council's 2019 Strategic Plan.

Updating the Strategic Housing Plan and the Affordable Housing Strategies Work Plan of June 2016, such as encouraging public/private partnerships to promote the development of affordable housing in urban centers.

Sammamish

Implementing the Housing Strategy Plan.

Finalizing resale requirements and other tasks related to the affordability provisions for site donated to Habitat.

Exploring impacts to and solutions for affordable housing related to code and policy updates during legislative review.

Promoting available housing assistance and affordable housing programs to Sammamish's workforce and residents.

Woodinville

Updating the Housing Strategy Plan.

Reviewing and updating affordable housing and accessory dwelling unit programs and regulations.

Evaluating and developing incentives for affordable housing as provided for in the Downtown/Little Bear Creek Master Plan area.

Reviewing components of residential development standards that are associated with housing stock diversity.

King County

Monitoring affordable housing in the Northridge/Blakely Ridge and Redmond Ridge Phase II affordable housing development agreements.

ARCH Housing Trust Fund Parity Goals
(May 2020)

Parity goals are voluntary goals established to foster equitable distribution of investment in affordable housing across ARCH member cities. Goals are calculated using cities' population, projected employment and housing, with updates based on the most recent annual Consumer Price Index.

City	Low Goal	High Goal
Beaux Arts Village	\$54	\$1,855
Bellevue	\$696,389	\$1,076,709
Bothell	\$177,102	\$320,955
Clyde Hill	\$0	\$18,825
Hunts Point	\$0	\$2,596
Issaquah	\$174,597	\$355,511
Kenmore	\$54,437	\$183,257
Kirkland	\$351,271	\$539,345
Medina	\$0	\$20,062
Mercer Island	\$18,146	\$150,045
Newcastle	\$13,337	\$76,722
Redmond	\$302,535	\$626,475
Sammamish	\$32,662	\$392,392
Woodinville	\$57,799	\$154,876
Yarrow Point	\$0	\$6,584
Total	\$1,878,329	\$3,926,210

2021 ARCH Budget and Work Plan

AB 5780 | November 17, 2020



Summary

1. Approve 2021 ARCH Budget and Work Plan
2. Allocate funds for ARCH Administrative budget for 2021-2022
3. Allocate funds for the ARCH Housing Trust Fund



2021 Administrative Budget

- Funds staffing and other costs associated with implementing the work plan
- 2021 Administrative Budget totals \$1,155,261
- Member city contributions held flat at 2020 levels
- Mercer Island's share is **\$50,222**
- Projecting a similar cost in 2022 - \$51,729



Housing Trust Fund Contribution

- The HTF enables member cities to pool resources to directly fund affordable housing development and preservation
- The ARCH Parity Goals foster equitable investments across member cities
 - Mercer Island's Parity Goal range is \$18,146-\$150,045/year
- Past contributions have ranged between \$30,000-\$96,000/year



Housing Trust Fund Contribution

The 2021-2022 Preliminary Budget includes the following:

- Allocates the full amount (~\$33k/year) of Sales Tax revenue from HB 1406 to the YFS Emergency Assistance Fund. Maintains the direction from Council in early 2020.
- Allocates \$100k/year to YFS Emergency Assistance (increase from \$50k/year prior to the Pandemic). Funding for emergency assistance comes from HB 1406 revenue and the YFS Foundation/donations only.
- Allocates \$50k/year to the ARCH Housing Trust Fund (HTF). This is consistent with pre-Pandemic contribution levels and is funded by the General Fund.



Recommended Action

1. Approve the 2021 ARCH Budget and Work Plan
2. Allocate:
 - \$50,222 for the 2021 ARCH administrative budget
 - \$51,729 for the 2022 ARCH administrative budget
3. Allocate [\$50,000] annually to the ARCH Housing Trust Fund for 2021 and 2022



Future ARCH Business

- ARCH Housing Trust Fund project approvals – March 2021
- ARCH 2022 Work Plan and Budget approval – Fall 2021





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

**AB 5776
November 17, 2020
Regular Business**

AGENDA BILL INFORMATION

TITLE: RECOMMENDED ACTION:	AB 5776: Q3 2020 Financial Status Update and Budget Amending Ordinance No. 20-25	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
	Receive financial status update, suspend City Council Rules of Procedure 6.3, and adopt Ordinance No. 20-25, amending the 2019 – 2020 Biennial Budget.	

DEPARTMENT:	Finance
STAFF:	Matthew Mornick, Interim Finance Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Q3 2020 Financial Status Update 2. Ordinance No. 20-25, Q3 2020 Budget Amendments
CITY COUNCIL 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.

AMOUNT OF EXPENDITURE	\$ 3,997,687
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ 3,997,687

SUMMARY

FINANCIAL STATUS UPDATE

In keeping with staff’s efforts to provide the City Council with quarterly updates on the City’s financial position, Exhibit 1 includes financial results for revenue and expenditure categories through September 30, 2020. The budget reflected in the financial status update includes budget amendments adopted by ordinance through September 1, 2020.

Based on the financial data through September, the City has collected \$19.9 million in General Fund revenues, or 64.8 percent of the revenue budget as amended. Property Tax revenues are low at this point in the year due to the timing of Property Tax collections, with the latter half of the year’s payments from property owners due October 31, 2020. At this point in the year, general sales tax is performing above amended budget expectations due to higher than expected returns, while utility tax revenues are slightly below the targeted threshold due to downward trends in cellular utility taxes.

Total General Fund revenues are \$1.5 million less than at the end of the third quarter 2019. The shortfall, as compared to 2019, is driven by anticipated declines in recreation, licenses, permitting and land use revenues resulting from the COVID-19 Pandemic (“Pandemic”) impacts to City operations.

General Fund expenditures are within amended budget estimates at the end of September. Total expenditures of \$21.3 million are 70 percent of the budget as amended. Total expenditures are \$2.2 million less than the same period in 2019, reflecting the phased expenditure reductions that began in late May of 2020, which brought total cost saving measures in 2020 to \$3.8 million.

Salary and benefit costs are on track at 73% of the amended budget at the end of the third quarter. Other services and charges, which includes insurance, utilities, jails, and intergovernmental costs, are approaching 72%, but still below prior year spending.

All other expenditure categories are under budget for the end of the third quarter. Staff anticipates all categories will remain within budget expectations through year-end.

GENERAL FUND EXPENDITURES (\$ MILLIONS)	2020 Amended Budget	Actuals thru 9/30/19	Actuals thru 9/30/20	YTD as % of Budget
Salary & Benefits	\$22.6M	\$17.6M	\$16.5M	73%
Supplies	\$1.3M	\$0.5M	\$0.4M	29%
Contract Services	\$1.8M	\$1.1M	\$1.0M	57%
Other Services & Charges	\$4.5M	\$3.8M	\$3.2M	72%
Interfund Transfers Out	\$0.4M	\$0.6M	\$0.2M	55%
Total Expenditures	\$30.5M	\$23.7M	\$21.3M	70%

The City’s Water, Sewer, and Stormwater Utility funds are operating within budget expectations. Capital projects across the utility funds continue, though at a slower pace than originally anticipated due to the impacts of the Pandemic and staff spending significant time on the pre-construction phases of two major capital investments – the SCADA System Upgrade and Meter Replacement projects .

In the YFS Fund total revenues are 42.7% of the amended budget at the end of September, down \$1.2 million from the same period in 2019. The Pandemic caused the Thrift Shop and Luther Burbank Administration Building to close along with most City facilities in March 2020 severely limiting the ability of the YFS Fund to generate revenue. Expenditures for the YFS Fund are at 63% of budget at quarter end, reflecting the impact of phased reductions that began early May.

All other operating and capital funds of the City are within budget expectations, and there are no significant variances to either revenue or expenditures.

RECOMMENDATION

1. Suspend the City Council Rules of Procedure 6.3, requiring a second reading for an ordinance.
2. Adopt Ordinance No. 20-25, amending the 2019-2020 Biennial Budget.

INTRODUCTION

The Financial Status Update provides a budget to actual comparison of revenues and expenditures for the General Fund and all other Funds from January through September 2020.

This report is comprised of the following four sections:

- General Fund
- Utility Funds
- All Other Funds
- Budget Adjustment Summary

It should be noted that, where significant, revenues are recognized when earned, regardless of when cash is received, and expenditures are recognized when a liability has been incurred or when resources have been transferred to another Fund. Finally, beginning Fund Balance represents net excess resources from a prior year that have been appropriated to Fund budgeted expenditures in the current year.

NOVEMBER 17, 2020

FINANCIAL STATUS UPDATE

AS OF SEPTEMBER 30, 2020

2020 General Fund

Adopted Revenue Budget
\$32.7 million

Amended Revenue Budget
\$30.6 million

**Revenue Actuals
as of September 30,**
\$19.9 million (64.8% of
amended budget)

Adopted Expenditure Budget
\$30.7 million

Amended Expenditure Budget
\$30.5 million

**Expenditure Actuals
as of September 30,**
\$21.3 million (70.0% of
amended budget)

Contingency Fund Balance
\$4.1 million

GENERAL FUND

Revenues

Overall, General Fund revenues fell slightly short of amended budget estimates at the end of September primarily due to the continuing COVID-19 Pandemic (Pandemic). The 2020 amended revenue budget is included in the Table below along with year-to-date (YTD) actuals, and YTD actuals as a percentage of the amended budget. Prior YTD actuals are presented for comparative purposes.

The budget and actual amounts are for the first nine months of the calendar year, through the end of September 2020. Additional detail regarding primary General Fund revenues and material variances from the amended budget is discussed in the narrative below.

GENERAL FUND: Revenues As of September 30, 2020

Revenue Category	2020 Original Budget	2020 Amended Budget	Prior YTD 9/30/2019	YTD 9/30/2020	YTD Revenue as % of Amended Budget
Property Tax	\$ 12,717,185	\$ 12,717,185	\$ 7,140,772	\$ 7,256,978	57.1%
Sales Tax - General	4,348,797	3,478,797	3,335,730	3,414,335	98.1%
Sales Tax - Criminal Justice	750,052	750,052	565,596	519,646	69.3%
Utility Taxes	4,237,566	4,237,566	3,011,233	3,031,910	71.5%
B&O Taxes	662,171	609,046	257,067	224,449	36.9%
Shared Revenues	1,185,849	1,944,419	693,731	1,015,524	52.2%
Cost Allocation-Overhead	751,222	751,222	547,231	563,417	75.0%
EMS Revenues	1,391,867	1,419,644	1,045,354	1,042,667	73.4%
Parks & Recreation	1,619,800	385,300	1,367,135	347,158	90.1%
License, Permit & Zoning	3,690,402	2,777,862	2,410,802	1,905,439	68.6%
Municipal Court	346,604	214,604	203,610	127,541	59.4%
Miscellaneous Revenue	223,200	223,200	428,446	319,683	143.2%
Interest Earnings	25,604	25,604	30,843	16,010	62.5%
Transfer from Contingency Fund	0	407,900	607,920	89,179	N/A
Total Revenues	\$ 31,950,319	\$ 29,942,401	\$ 21,645,469	\$ 19,873,936	66.4%
Beginning Fund Balance	790,798	707,105	0	0	0.0%
Total Resources	\$ 32,741,117	\$ 30,649,506	\$ 21,645,469	\$ 19,873,936	64.8%

Property Tax at 57 percent of budget reflects the timing of Property Tax collections. April 30 and October 31 are the payment due dates for property owners. The second half of Property Tax revenue is typically received by the City in November. Property Tax collections are expected to fall short of budget expectations by 3 percent at year end.

General Sales Tax is 98 percent of the amended budget at the end of September and is performing better than expected. Because of the delay in receiving Sales Tax from the State, tax revenue is recognized one month later than it is collected (i.e., September Sales Tax revenue numbers represent August sales). Sales Tax revenue is performing above budget expectations primarily due to higher than expected returns. As part of the City's Phase 1 and 2 cost saving measures in response to the Pandemic, the 2020 Sales Tax

revenue projections were reduced by budget amendment in anticipation of a slowdown in the economy. When compared to the original budget of \$4.34 million, General Sales tax is at 78.5 percent, tracking closer to original 2020 budget expectations.

Construction has historically been the largest component of sales tax revenue but Retail & Wholesale Trade now represents an almost equal share of total revenue. The following table compares Sales Tax revenue by business sector through September for 2019 and 2020.

2019-2020 General Sales Tax Revenue by Business Sector (in thousands)						
Business Sector	Year to Date 9/30/2019	Year to Date 9/30/2020	Increase / (Decrease)	% of Total		
				2019	2020	Sector Totals Change
Construction	\$1,267	\$1,176	(\$91)	38.0%	34.5%	-3.5%
Retail & Wholesale Trade	\$972	\$1,146	\$174	29.1%	33.6%	4.4%
Admin & Support Services	\$263	\$295	\$32	7.9%	8.6%	0.8%
Food Services	\$181	\$149	(\$32)	5.4%	4.4%	-1.0%
Telecommunications	\$123	\$123	\$0	3.7%	3.6%	-0.1%
Finance/Insurance/Real Estate	\$120	\$130	\$10	3.6%	3.8%	0.2%
Professional, Scientific & Tech	\$107	\$105	(\$1)	3.2%	3.1%	-0.1%
All Other Sectors	\$302	\$289	(\$13)	9.1%	8.5%	-0.6%
Total	\$3,336	\$3,414	\$79	100.0%	100.0%	

Criminal Justice Sales Tax is at 69.3 percent of budget at the end of September. This revenue is closely tied to county wide sales numbers which are down this year due to the Pandemic.

Utility Taxes are 71.5 percent of budget at the end of September, lagging slightly behind budget projections. The decrease in cellular utility tax reflects the continued downward trend resulting from a highly competitive business environment, the popularity of texting over talking, and the exclusion of data plans from utility taxes.

Business & Occupation (B&O) Tax is 36.9 percent of budget at the end of September. This underage is normal because most the City's registered businesses file an annual, rather than quarterly, B&O tax return. Annual B&O tax payments for 2020 are due by April 15, 2021, a change implemented in late 2019 as a result of state legislation [HB 1059](#).

Shared Revenues are 52.2 percent of budget at the end of the third quarter. Major revenue sources include State shared taxes; hazardous waste grants; the I-90 corridor landscape maintenance revenue from the Washington State Department of Transportation; vessel registration fees received from the state through King County; the marine patrol services contract revenue from the City of Renton; and financial support for the School Resource Officer received from the Mercer Island School District. Timing of these revenues is variable throughout the year, with most expected in the fourth quarter of 2020. Revenues in this category are expected to come in close to projection by year-end.

Parks and Recreation revenues are 90.1 percent of budget at the end of September. The Pandemic caused the Mercer Island Community and Events Center (MICEC) to close along with most City facilities

on March 13th, 2020. Parks and Recreation revenues were significantly reduced by budget amendment earlier this year to reflect the decision to keep the MICEC and recreation programs closed through 2020. Expected sources of revenue through the end of the year include limited athletic field rentals.

License, Permit, and Zoning Fees are 68.6 percent of budget at the end of September. This revenue category consists of fees related to development, business licenses, and a cable franchise. The Pandemic caused City Hall, the main processing center for permits and licenses to close along with most City facilities in mid-March. The Governor's stop construction order was lifted in late April when the City's permitting process was moved entirely online. This revenue stream is lagging compared to prior years due to the Pandemic.

Court fines are 59.4 percent of budget at the end of September. Revenues continue to fall below budget due to a decrease in court filings beginning in 2019 and carrying over into 2020. Additionally, the Pandemic caused the court to close along with all other city facilities in mid-March. The Court re-opened in August 2020 and resumed collecting revenue through operations adhering to the State's Safe Start Plan protocols. The Court also increased the number of operating days in an effort to "catch-up" on the backlog of cases.

Miscellaneous Revenue is 143.2 percent of budget due to higher than expected employee disability reimbursements, which were received from the Washington State Department of Labor and Industries. These reimbursements are a result of the buy-back policy the City has with active employees that qualify for time-loss compensation through the Department of Labor and Industries.

Interest earnings are 62.5 percent of budget at the end of September. These are lower than previous years due to a steady decline in local government investment pool yields (likely caused by the Pandemic) that are projected to continue into the fourth quarter.

All other revenues are meeting expectations through the end of September.

Expenditures

Overall, General Fund expenditures are within amended budget estimates at the end of September. The table below lists the 2020 adopted expenditure budget as well as year to date actuals, and year to date actuals as a percentage of the amended budget. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of September. Additional detail of material variances from the amended budget are discussed in the narrative below.

GENERAL FUND: Expenditures

As of September 30, 2020

General Fund Department	2020 Original Budget	2020 Amended Budget	Prior YTD 9/30/2019	YTD 9/30/2020	YTD Expense as % of Amended Budget
City Attorney's Office	\$ 812,503	\$ 783,496	\$ 537,965	\$ 546,989	69.8%
City Council	64,674	55,808	37,308	40,638	72.8%
City Manager's Office	1,107,682	1,060,148	843,385	697,815	65.8%
Community Planning & Development	3,501,508	3,030,294	2,455,029	2,268,354	74.9%
Finance	996,845	939,982	683,093	556,355	59.2%
Fire	6,655,407	6,795,497	5,152,332	4,985,414	73.4%
Human Resources	651,867	626,364	480,619	471,222	75.2%
Information & Geographic Services	133,256	129,248	105,489	103,122	79.8%
Municipal Court	492,393	466,457	330,968	314,258	67.4%
Non-Departmental	2,072,899	3,949,253	1,478,877	2,262,310	57.3%
Parks & Recreation	5,954,286	3,313,259	4,119,404	2,420,099	73.0%
Police	7,681,195	7,425,687	5,601,665	5,379,856	72.4%
Public Works	1,949,402	1,611,847	1,269,007	1,101,004	68.3%
Total Expenditures	\$ 32,073,917	\$ 30,187,340	\$ 23,095,139	\$ 21,147,436	70.1%
Interfund Transfers	667,200	340,200	597,028	192,600	56.6%
Total Expenditures + Interfund Transfers	\$ 32,741,117	\$ 30,527,540	\$ 23,692,167	\$ 21,340,036	69.9%

In reviewing expenditures by department, the following are noteworthy:

The Information & Geographic Services Department has expended 79.8 percent of budget at the end of September 30. This is primarily due to two annual software system payments that occur in January and April.

The Finance Department is at 59.2 percent of amended budget at the end of September. The much lower than anticipated costs are a result of salary savings across multiple positions in the department. Contract services are at 51.7 percent of budget due to the timing of the financial audit which primarily occurs in the fourth quarter.

Non-Departmental has expended 57.3 percent of budget through September. Office supplies are 41% spent to date. Both postage and office supplies expenses are underbudget due to most staff work taking place remotely. In addition, the lower than expected spending is a result of various Pandemic related funding being reflected in this line including the CARES Act Funds. The City is continuing to use these funds to support the Emergency Operation Center (EOC) team, create a safe working space for essential employees, and assist local businesses through grant programs.

All other expenditures are meeting expectations through the end of September.

UTILITY FUNDS

At the end of September, all three utility Funds are within expectations for operating revenues and expenditures.

Revenues

The table below lists the 2020 revenue budget, January through September actuals and a percentage of budget received. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of September. There were no Pandemic-related budget adjustments to the Utility Funds. Additional detail of major variances is discussed in the narrative following the table.

UTILITY FUNDS: Revenues
As of September 30, 2020

Revenue Category	2020 Original Budget	Prior YTD 9/30/19	YTD 9/30/20	YTD Revenue as % of Original Budget
Operating Revenues				
Water Utility	\$ 7,889,090	\$ 7,020,819	\$ 7,398,168	93.8%
Sewer Utility	10,069,991	7,565,602	7,793,663	77.4%
Storm Water Utility	2,155,485	1,542,807	1,593,772	73.9%
Interest Earnings				
Water Utility	174,000	209,955	106,927	61.5%
Sewer Utility	71,181	93,356	41,279	58.0%
Storm Water Utility	50,600	73,659	32,861	64.9%
Total Revenues	\$ 20,410,347	\$ 16,506,198	\$ 16,966,671	83.1%

Water, Sewer, and Storm Water Utility operating revenues are within expectations and reflect the seasonality of utility revenues. Adopted rate increases that became effective January 1, 2020 result in revenue increases as compared to 2019 revenues for the same period.

Interest earnings for the Water, Sewer, and Storm Utility Funds are well below expected budget numbers as local government investment pool yields saw a steady decline in yields (likely caused by the Pandemic) that are projected to continue into the fourth quarter.

Expenditures

The table below lists the 2020 amended expenditure budget by Utility Fund and category, year to date actuals, and a percentage of budget spent. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of September. Additional detail of major variances is discussed following the table.

UTILITY FUNDS: Expenditures
As of September 30, 2020

Category	2020 Original Budget	2020 Amended Budget	Prior YTD 9/30/19	YTD 9/30/20	YTD Expense as % of Amended Budget
Operating Expenditures					
Water Utility	\$ 5,131,018	\$ 5,301,818	\$ 3,379,450	\$ 3,051,270	57.6%
Sewer Utility	7,290,427	7,349,782	5,004,347	5,227,367	71.1%
Storm Water Utility	1,465,039	1,527,939	887,485	887,183	58.1%
Capital Projects					
Water Utility	5,935,948	8,383,719	1,480,143	796,383	9.5%
Sewer Utility	3,453,762	3,902,021	494,358	674,137	17.3%
Storm Water Utility	1,136,723	2,298,091	307,182	351,175	15.3%
Debt Service					
Water Utility	730,847	730,847	16,427	15,479	2.1%
Sewer Utility	1,337,720	1,337,720	489,158	480,818	35.9%
Storm Water Utility	-	-	-	-	N/A
Total Expenditures	\$ 26,481,484	\$ 30,831,936	\$ 12,058,550	\$ 11,483,813	37%

Operating expenditures are well below budget projects for this time of the year for the following reasons:

- Water purchased for resale, which is water purchased from Seattle Public Utilities (SPU) based on usage from metered connections, is at 64.7 percent of budget. This is lower than prior years.
- All three utility Funds are experiencing service impacts due to the Pandemic which are resulting in lower than expected expenditures for consumable supplies as well as repair and maintenance services. Multiple contracted repairs and maintenances will occur in the second half of 2020.

Capital projects continue to be below budget projections in 2020. The unspent budget allocation for the utility capital program is a result of current staff spending a significant amount of time on the pre-construction phases of the SCADA System Upgrade and Meter Replacement projects, delaying work on other capital projects in 2020.

The SCADA System Upgrade is currently in design, but progress has been slowed due to staff vacancies and system complexities. The SCADA system supports both water and sewer operations. Design is expected to continue in the final quarter of 2020 with an advertisement for bid for the Water Utility portion of the project set for January 2021.

The Meter Replacement project has also been slowed due to key staff vacancies. This project will replace the aging water meters throughout the City, more than 60 percent of which are 15 years or older. It will implement new Advanced Metering Infrastructure (AMI) technologies that will integrate with the SCADA System Upgrade to better support future system analysis and operations. The City has identified its first-choice vendor for the project and will work towards negotiating a contract in the fourth quarter of 2020.

Other projects, like the Water Main Replacements along SE 34th St/94th Ave SE/97th Ave SE began construction in June and are expected to be complete in the fourth quarter. Additionally, construction for the Watercourse Stabilization project with work on Sub-basins 29.2 and 3b.4 was substantially completed in the third quarter.

ALL OTHER FUNDS

Revenues

The table below lists the 2020 amended revenue budget, end of September actuals, and a percentage of budget received. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of September. Additional detail of major variances is discussed in the narrative following the table.

ALL OTHER FUNDS: Revenues As of September 30, 2020

Fund Name	2020 Original Budget	2020 Amended Budget	Prior YTD 9/30/2019	YTD 9/30/2020	YTD Revenue as % of Amended Budget
Self Insurance Claim	\$ 10,000	\$ 10,000	\$ -	\$ -	N/A
Youth Services Endowment	3,500	3,500	4,540	1,961	56.0%
Street	3,210,098	3,242,000	2,025,038	2,098,129	64.7%
Contingency	320,574	320,574	348,404	141,211	44.0%
1% for the Arts	17,000	31,465	-	-	N/A
Youth & Family Services	2,871,835	2,658,135	2,359,629	1,134,087	42.7%
Bond Redemption (Voted)	-	-	-	-	N/A
Bond Redemption (Non-Voted)	839,700	839,700	320,900	317,350	37.8%
Town Center Parking Facilities	-	-	585,361	-	0.0%
Capital Improvement	2,734,712	2,790,612	2,041,439	2,010,064	72.0%
Technology & Equipment	322,500	322,500	245,033	187,500	58.1%
Capital Reserve	-	-	-	-	N/A
Equipment Rental	1,365,628	1,365,628	1,256,898	846,473	62.0%
Computer Equipment	1,512,766	1,059,243	782,082	794,203	75.0%
Firemen's Pension	94,000	94,000	60,341	54,513	58.0%

Street Fund revenues are at 64.7 percent at the end of September reflecting the delay in receiving reimbursements from Sound Transit for mitigation projects. Real Estate Excise Tax (REET) revenues through the end of September are \$1.37 million, or 79.6 percent.

The Washington State Supreme Court struck down State Initiative 976 in a ruling issued October 15, 2020. The decision allowed the City to earn both Multimodal Transportation state shared revenue and revenues generated by the Mercer Island transportation benefit district previously held as unearned revenues pending the Court's decision. Total revenues earned for December 2019 through September 2020 is \$330,627 and is reflected in the table above.

Youth & Family Services Fund: Total revenues are 42.7 percent of budget at the end of September, down \$1.2 million from the same period in 2019. The Pandemic caused the Thrift Shop and Luther Burbank Administration Building to close along with most City facilities in mid-March severely limiting the ability of the YFS Fund to generate revenue. Revenue reductions from the City's decided cost saving measures were made in September, bringing the fund closer to revised expectations. The Thrift Shop was able to partially reopen during the third quarter to begin selling off existing inventory.

Capital Improvement Fund revenues are at 72.0 percent of budget at the end of September. The primary revenue source for the Capital Improvement Fund is Real Estate Excise Tax (REET). Total REET revenues through the end of September are \$1.68 million, or 79.6 percent. Current estimates are that REET will fall short of original budget expectations by 8 percent. Higher than expected returns in the third quarter are a result of a hot housing market that is fueled by low interest rates and a greater volume of homes sold than historical trends indicated.

Technology & Equipment Fund: Total revenues are at 58.1 percent of budget at the end of September. There is a \$58,000 transfer currently budgeted from the General Fund that will not occur this year because of cost saving reductions in response to the Pandemic. This brings total revenues in line with expectations through nine months of the year.

Equipment Rental Fund revenues are at 62.2 percent of budget at the end of September, which is under budget as a result of the decision to eliminate the General Fund replacement contribution for 2020.

Firemen's Pension Fund: Total revenues are 58.0 percent of budget at the end of September, down \$5,828 from 2019. This entire difference is a result of lower than expected interest earnings as local government investment pool yields saw a continued decline, caused by the Pandemic, through the third quarter that will likely continue into the fourth quarter.

All other revenues are within expected norms through the end of September.

Expenditures

The table below lists the 2020 amended expenditures budget by Fund, end of September actuals and a percentage of budget spent. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of September. Additional detail of major variances is discussed in the narrative following the table.

ALL OTHER FUNDS: Expenditures As of September 30, 2020

Fund Name	2020 Original Budget	2020 Amended Budget	Prior YTD 9/30/2019	YTD 9/30/2020	YTD Expense as % of Amended Budget
Self Insurance Claim	\$ 10,000	\$ 10,000	\$ -	\$ -	N/A
Youth Services Endowment	3,500	3,500	-	-	0.0%
Street	3,210,098	3,987,470	2,347,813	1,136,196	28.5%
Contingency	-	657,900	1,182,281	89,179	N/A
1% for the Arts	15,000	29,465	1,050	27,207	92.3%
Youth & Family Services	2,844,145	2,557,498	2,238,551	1,612,709	63.1%
Bond Redemption (Voted)	-	-	-	-	N/A
Bond Redemption (Non-Voted)	839,700	839,700	30,900	22,350	2.7%
Town Center Parking Facilities	-	358,875	303,434	118,302	33.0%
Capital Improvement	2,549,045	4,699,223	1,151,733	662,650	14.1%
Technology & Equipment	287,000	612,836	183,154	175,373	28.6%
Capital Reserve	-	-	-	-	N/A
Equipment Rental	1,649,995	1,957,252	847,216	884,013	45.2%
Computer Equipment	1,339,994	1,178,788	731,993	825,789	70.1%
Firemen's Pension	94,000	94,000	48,040	65,043	69.2%

The **1% for the Arts Fund** is at 92.3 percent of budget at the end of September. This is due to a one-time expenditure to repair and replace the art walls at the Mercer Island Community and Events Center. No further expenditures are anticipated, and the Fund is projected to end the year within budget.

Capital Improvement Fund is at 14.1 percent of budget at the end of September. The low amount of spending in this fund is a result of delays in the completion of projects because of the Pandemic and limited staff resources.

All other variances are meeting budget expectations through the end of September.

Two summary listings of the originally adopted 2019-2020 Budget (expenditures only), broken down by year, and amendments adopted by Ordinance through September 30, 2020 are presented below.

**2019 Budget Adjustment Summary
Expenditures by Fund**

Fund Type / Fund Name	Original 2019 Budget	2019 Budget Adjustments					Amended 2019 Budget
		Administrative Biennial Corrections	ORD 19-08 2018 Carryovers 5/7/2019	ORD 19-09 Q1 2019 FSR 5/21/2019	ORD 19-12 Q2 2019 FSR 9/3/2019	ORD 19-17 Q3 2019 FSR 11/19/2019	
General Purpose Funds:							
General	32,505,106	(407,105)	117,246	(281,756)	40,604	40,000	32,014,095
Self-Insurance	10,000						10,000
Youth Services Endowment	3,500						3,500
Special Revenue Funds:							
Street*	3,567,588	(677,373)	306,315				3,196,530
Contingency	1,035,704		304,838		269,523	63,055	1,673,120
1% for the Arts	15,000	(14,465)	13,521				14,056
Youth & Family Services	2,870,274	(55,603)	131,570	51,460	126,878	87,150	3,211,729
Debt Service Funds:							
Bond Redemption (Voted)	-						-
Bond Redemption (Non-Voted)	841,800						841,800
Capital Projects Funds:							
Town Center Parking Facilities*	139,930	(358,875)	2,340,630		269,523	63,055	2,454,263
Capital Improvement*	3,041,056	(2,094,278)	877,790				1,824,568
Technology & Equipment*	640,000	(435,987)	167,965				371,978
Capital Reserve*	-						-
Enterprise Funds:							
Water*	9,557,767	(2,618,571)	242,285	17,831			7,199,312
Sewer*	10,310,350	(507,614)	807,728	9,296			10,619,760
Stormwater*	2,680,563	(1,174,268)	500,654	12,344			2,019,293
Internal Service Funds:							
Equipment Rental*	1,537,942	(274,340)	225,354	152,399			1,641,355
Computer Equipment*	1,196,047	(13,317)			(161,097)		1,021,633
Trust Funds:							
Firemen's Pension	89,000						89,000
Total	70,041,627	(8,631,796)	6,035,896	(38,426)	545,431	253,260	68,205,992

* Capital Improvement Program (CIP) projects are accounted for in these funds.

**2020 Budget Adjustment Summary
Expenditures by Fund**

Fund Type / Fund Name	Original 2020 Budget	2020 Budget Adjustments								Amended 2020 Budget
		Administrative Biennial Corrections	ORD 19-09 Q1 2019 FSR 5/21/2019	ORD 19-12 Q2 2019 FSR 9/3/2019	ORD 19-17 Q3 2019 FSR 11/19/2019	ORD 20-06 Q4 2019 FSR 4/7/2020	ORD 20-08 Ph 1 & Ph 2 6/2/2020	ORD 20-09 Ph 1 & Ph 2 6/2/2020	ORD 20-19 Q2 2020 FSR 9/1/2020	
General Purpose Funds:										
General	32,741,117	407,105	(861,130)		20,000	7,500	(1,689,600)		(97,453)	30,527,539
Self-Insurance	10,000									10,000
Youth Services Endowment	3,500									3,500
Special Revenue Funds:										
Street*	3,210,098	677,373		100,000						3,987,471
Contingency	-						1,046,000	250,000	(388,100)	907,900
1% for the Arts	15,000	14,465								29,465
Youth & Family Services	2,844,145	55,603	(7,947)		348,600	91,997			(774,900)	2,557,498
Debt Service Funds:										
Bond Redemption (Voted)	-									-
Bond Redemption (Non-Voted)	839,700									839,700
Capital Projects Funds:										
Town Center Parking Facilities*	-	358,875								358,875
Capital Improvement*	2,549,045	2,094,278				26,680			29,220	4,699,223
Technology & Equipment*	287,000	435,987							23,336	746,323
Capital Reserve*	-									-
Enterprise Funds:										
Water*	11,797,813	2,618,571								14,416,384
Sewer*	12,081,909	507,614								12,589,523
Stormwater*	2,601,762	1,174,268			50,000					3,826,030
Internal Service Funds:										
Equipment Rental*	1,649,995	274,340				32,917				1,957,252
Computer Equipment*	1,339,994	13,317		(174,523)						1,178,788
Trust Funds:										
Firemen's Pension	94,000									94,000
Total	72,065,078	8,631,796	(869,077)	(74,523)	418,600	159,094	(643,600)	250,000	(1,207,897)	78,729,471

* Capital Improvement Program (CIP) projects are accounted for in these funds.

**CITY OF MERCER ISLAND
ORDINANCE NO. 20-25**

**AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON,
INCORPORATING CERTAIN BUDGET REVISIONS TO THE 2019-2020
BIENNIAL BUDGET AND AMENDING ORDINANCE NOS. 18-18, 19-08, 19-09,
19-12, 19-17, 20-06, 20-08, 20-09 AND 20-19**

WHEREAS, the City Council adopted the 2019-2020 Budget by Ordinance No. 18-18 on December 4, 2018, representing the total for the biennium of estimated resources and expenditures for each of the separate funds of the City; and

WHEREAS, budget adjustments are needed that have been previously approved by the City Council, as noted in the following table; and

Fund	Department	Description	Agenda Bill	Budget Year	Expenditure Adjustment	Revenue Adj / Funding Source
General	EOC	King County CARES Act Coronavirus Relief Fund Subrecipient Grant	AB5739 9/01/2020	2020	\$ 37,372	CARES Act Grant Funding
General	EOC	WA State CARES Act Coronavirus Relief Funds for MI COVID-19 Relief for Small Businesses	AB5767 10/20/20	2020	\$ 270,000	CARES Act Grant Funding
General	EOC	WA State CARES Act Coronavirus Relief Funds for MI Emergency Operations	AB5767 10/20/20	2020	\$ 97,050	CARES Act Grant Funding
General	City Attorney	Litigation costs to enforce 2017 Settlement Agreement with Sound Transit	AB4579 9/15/2020	2020	\$ 1,500,000	Proceeds of Interfund Loan
General	Administrative Services	Cultural Competency Trainings and Community Listening Sessions	AB5764 10/20/20	2020	\$ 20,000	Unappropriated Fund Balance
CIP	Public Works	South Mercer All Weather Field Turf Replacement	AB5734 08/04/2020	2020	\$ 573,265	Turf Replacement Reserve
Water	City Attorney	Interfund loan to General Fund	AB4579 9/15/2020	2020	\$ 750,000	Water Utility Reserves
Sewer	City Attorney	Interfund loan to General Fund	AB4579 9/15/2020	2020	\$ 750,000	Sewer Utility Reserves

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Amending the 2019-2020 Budget

The 2019-2020 Budget for the City of Mercer Island, as adopted in Ordinance No. 18-18 and amended by Ordinance Nos. 19-08, 19-09, 19-12, 19-17, 20-06, 20-08, 20-09 and 20-19, is hereby amended to incorporate increases and decreases in resources and expenditures in the following funds for the 2019-2020 biennium:

Fund	Fund Name	Resources	Expenditures
001	General Fund	\$ 1,924,422	\$ 1,924,422
343	Capital Improvement	\$ 573,265	\$ 573,265
402	Water Fund	\$ 750,000	\$ 750,000
426	Sewer Fund	\$ 750,000	\$ 750,000
Total		\$ 3,997,687	\$ 3,997,687

Section 2. Amending Previously Adopted Budget Ordinances

City Ordinance Nos. 18-18, 19-08, 19-09, 19-12, 19-17, 20-06, 20-08, 20-09 and 20-19, as previously adopted and as hereby amended, are hereby ratified, confirmed, and continued in full force and effect.

Section 3. Effective Date

This Ordinance shall take effect and be in force 5 days after passage and publication.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AT ITS MEETING ON THE 17th DAY OF NOVEMBER 2020.

CITY OF MERCER ISLAND

Benson Wong, Mayor

ATTEST:

Deborah A. Estrada, City Clerk

APPROVED AS TO FORM:

Bio Park, City Attorney

Date of Publication: _____



Budget Workshop

AB 5776: Q3 2020 Financial Status Update

AB 5777: Resolutions & Ordinances for 2021-2022 Budget

November 17, 2020 City Council Meeting

Agenda

AB5776

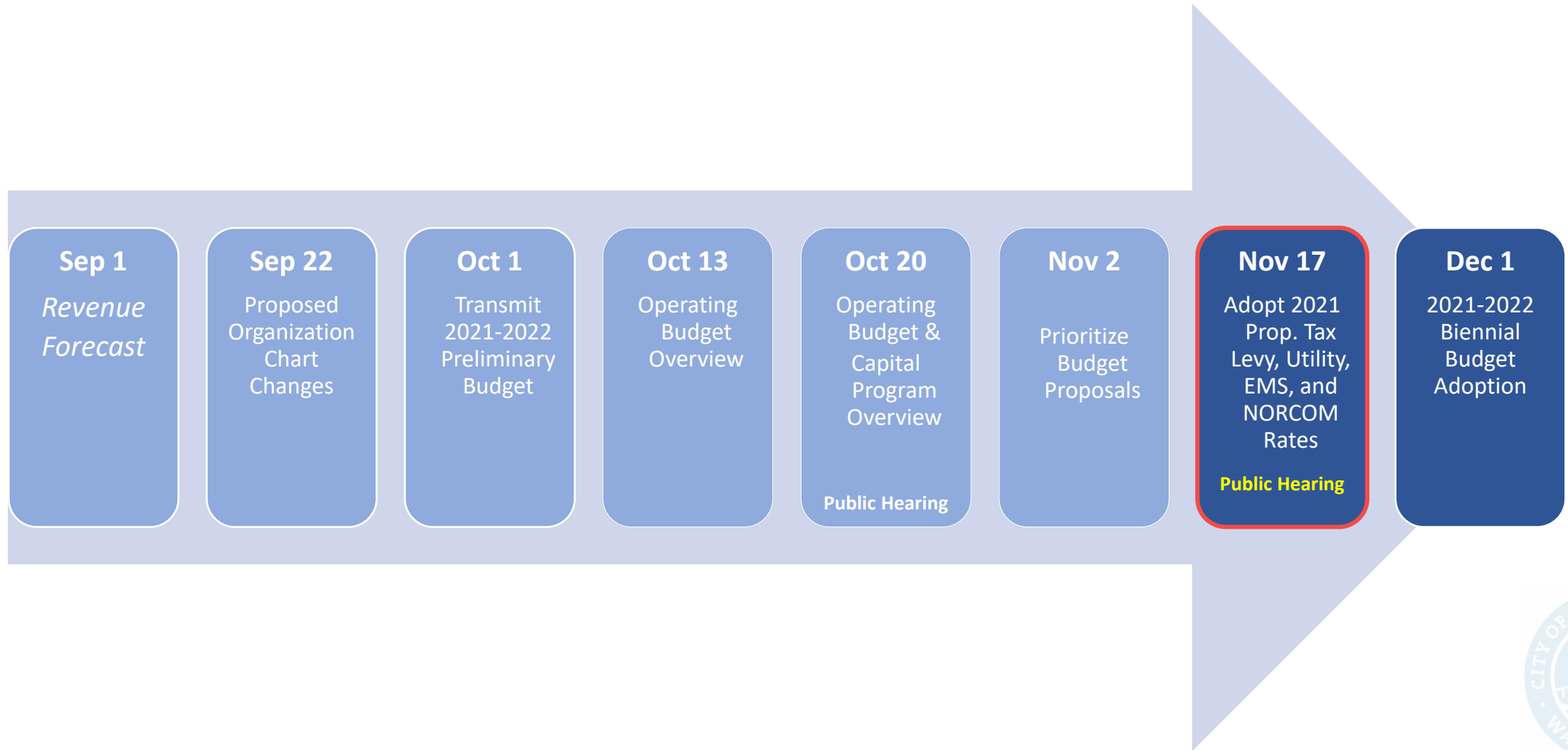
- ❑ Q3 Financial Status Update
- ❑ Budget Proposal Selection Results (11/02)

AB5777

- ❑ Property Tax Levy
 - ❑ Finding of Substantial Need
- ❑ Water, Sewer, Storm Water, and EMS Rate Resolutions
- ❑ NORCOM Rate Resolutions
- ❑ Next Steps



Budget Calendar



Q3 Financial Status Update



Q3 Status Update – General Fund Revenues Item 9.

- ❑ Collected \$19.9 M, 65% of amended revenue budget.
- ❑ Revenues are **\$1.8 M less** than the third quarter in 2019.
- ❑ Shortfall is due to the Pandemic:
 - ❑ Losses from MICEC operations and recreation programming.
 - ❑ Declines in licensing, permitting, and zoning revenues.



Q3 Status Update – General Fund Expenses

Item 9.

- ❑ Spent \$21.3 M, 70% of the amended expenditure budget.
- ❑ Expenditures are **\$2.4 M less** than the third quarter in 2019.
- ❑ Reflects phased-in cost saving measures that began March 2020.
- ❑ Assume expenses will remain within budget estimates thru year-end.



Q3 Budget Amending Ordinance

- ❑ Formalize receipt of CARES Act Relief Funds.
- ❑ Affirm interfund loan to enforce 2017 ST settlement agreement.
- ❑ Transfer turf replacement funds to MISD.
- ❑ Cultural competency training and community listening workshops.



Q3 Budget Amending Ordinance

□ Staff recommends Council

1. Suspend the City Council Rules of Procedure 6.3, requiring a second reading for an ordinance.
2. Adopt Ordinance No. 20-25 amending the 2019-2020 budget.





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

**AB 5777
November 17, 2020
Regular Business**

AGENDA BILL INFORMATION

TITLE:	AB 5777: Public Hearing: Resolution of Substantial Need; NORCOM and Utility Rate Resolutions; 2021 Property Tax Ordinances; and Second Public Hearing: 2021-2022 Biennial Budget.	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution
RECOMMENDED ACTION:	Conduct public hearings; approve resources to fund the Housing Needs Assessment in 2021; pass the resolution of “substantial need,” adopt the 2021 Property Tax ordinances, and pass the 2021 Water, Sewer, Stormwater, and EMS rate resolutions; and pass the 2021 NORCOM Budget.	

DEPARTMENT:	Finance		
STAFF:	Matthew Mornick, Interim Finance Director		
COUNCIL LIAISON:	n/a	n/a	n/a
EXHIBITS:	<ol style="list-style-type: none"> 1. 2021-2022 Budget Proposal Selection Results from 11/02 2. Resolution No. 1587 (finding of substantial need to set 2021 levy limit at 101%) 3. Ordinance No. 20-22 (2021 Property Tax levy amount) 4. Ordinance No. 20-23 (2021 Property Tax levy increase) 5. Resolution No. 1588 (2021 Water Utility Rates & Service Charges) 6. Resolution No. 1589 (2021 Sewer Utility Rates & Connection Charges) 7. Resolution No. 1590 (2021 Storm Water Utility Rates) 8. Resolution No. 1591 (2021 EMS Utility Rates) 9. Resolution No. 1592 (2021 NORCOM Budget) 		
CITY COUNCIL 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.		

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

This agenda bill provides an overview of the 2021-2022 Preliminary Budget changes resulting from the City Council’s budget proposal decisions on November 2, 2020. This agenda item also includes approval of the 2021 Property Tax levy ordinance and resolution of “substantial need,” along with adoption of resolutions and ordinances central to finalizing the 2021-2022 biennial budget, scheduled for adoption on Tuesday, December 1, 2020.

Prior to approval, [RCW 84.55.120](#) requires the City to hold a public hearing on levy and revenue sources. The initial public hearing took place October 20, 2020, with the second public hearing taking place this evening, at which time staff seeks City Council approval of the 2021 Property Tax levy and resolution of “substantial need.”

GENERAL FUND OVERVIEW

At the November 2, 2020 City Council meeting, staff presented the estimated unassigned General Fund Balance for fiscal year 2021 and 2022, and a number of budget proposals – both one-time and ongoing – for City Council consideration. After concluding the discussion and prioritization process, the City Council approved the following:

- One-time contributions to pay down the City’s unfunded long-term liabilities tied to the Firefighter’s Pension Fund and LEOFF 1 retiree long-term care.
- Funding for 15 one-time proposals including projects, purchases, a limited-term position, and one-time resources to restart recreation services and the Thrift Shop.
- Funding for 13 proposals with ongoing costs ranging from new positions, park and Town Center maintenance, diversity training, health initiatives, and an annual operating subsidy for the Farmer’s Market.

A detailed summary of the approved budget proposals is included in Exhibit 1.

Cumulative Impact of Budget Proposals

The table below summarizes the estimated financial impacts of the budget proposal decisions.

GENERAL FUND OVERVIEW	2019A	2020E	2021B	2022B
TOTAL REVENUES	\$ 32,411,525	\$ 30,493,128	\$ 29,981,487	\$ 30,690,407
TOTAL EXPENDITURES	\$ 31,250,600	\$ 30,527,539	\$ 29,153,452	\$ 29,621,855
REVENUES OVER/(UNDER) EXPENDITURES	1,160,925	(34,411)	828,035	1,068,552
FUND BALANCE-FYE	6,958,857	6,924,446	7,752,481	8,821,033
LESS: COMMITTED/RESERVED	4,220,612	3,301,969	3,390,769	3,479,569
UNASSIGNED FUND BALANCE-FYE	\$ 2,738,245	\$ 3,622,477	\$ 4,361,712	\$ 5,341,464
NET IMPACT, ONE-TIME CHANGES			1,581,504	1,749,146
NET IMPACT, ONGOING CHANGES			461,604	1,243,095
REMAINING UNASSIGNED BALANCE	\$ 2,738,245	\$ 3,622,477	\$ 2,318,604	\$ 306,115

Budget Proposal Recommendation: Housing Needs Assessment

The City Council requested staff return with more information about the Housing Action Plan and/or a Housing Needs Assessment budget proposal. After meeting with ARCH representatives, staff maintains its alternative recommendation from November 2, 2020 for the City Council to allocate \$30,000 of one-time General Fund Balance in 2021 to support the completion of a “Housing Needs Assessment” (as opposed to a more comprehensive “Housing Action Plan”).

The Assessment will inventory the community’s existing housing stock, analyze current and future housing needs, identify gaps where the current housing market is not delivering needed housing types, and review

existing policies, programs, and regulations to identify focus areas for future work. Completing a Housing Needs Assessment is a necessary step to inform the upcoming 2024 periodic update to the Comprehensive Plan, specifically the Housing Element, and build a base for a future Housing Action Plan.

2021 PROPERTY TAX RESOLUTION & ORDINANCES

Background

RCW Chapters 84.52 and 84.55 grant cities the authority to impose a local Property Tax. Revenues from Property Taxes are considered general government revenues and are allocated to the General Fund to be used for basic governmental services such as public safety, public works, parks, and/or administration.

Property Tax is a budget-based tax, which means that the percent increase from year-to-year is applied to the amount of taxes collected in the prior year. Municipalities levying Property Tax in Washington can increase the Property Tax levy by up to 1% each year or by the amount of the implicit price deflator (IPD) – whichever is lower – plus the value of new construction. The IPD is used to measure inflation based on personal consumption.

Implicit Price Deflator Impacts in 2021

In most years, IPD is greater than 1% and the ten-year history of the IPD is summarized in the table below. For fiscal year 2021, however, the Bureau of Economic Analysis set the IPD at 0.602%, which limits the Property Tax increase to that amount unless the City Council declares there is a “substantial need.”

[RCW 84.55.0101](#) allows municipalities to levy the full 1% Property Tax increase if an ordinance or resolution is adopted declaring a “substantial need.” While “substantial need” is not defined in detail, the Municipal Research and Services Center (MRSC) notes municipalities have historically cited declining revenues and/or expenditure growth exceeding revenue growth as the basis for “substantial need.” The City of Mercer Island declared “substantial need” in 2016 and 2017 when the IPD was less than 1%.

Implicit Price Deflator		
Historical Trends 2011-2021		
Period	Fiscal Year Impact	Percent
Q2 2019 to Q2 2020	2021	0.602
Q2 2018 to Q2 2019	2020	1.396
Q2 2017 to Q2 2018	2019	2.169
Q2 2016 to Q2 2017	2018	1.533
Q2 2015 to Q2 2016	2017	0.953
June 2014 to June 2015	2016	0.251
June 2013 to June 2014	2015	1.591
June 2012 to June 2013	2014	1.314
June 2011 to June 2012	2013	1.295
June 2010 to June 2011	2012	2.755

Staff recommends the City Council take similar action as they did in 2016 and 2017 and adopt a resolution of “substantial need” (Exhibit 2) in conjunction with the 2021 Property Tax levy to assess the 1% amount plus new construction for 2021. Staff recommends the resolution of substantial need on the basis that:

- General Fund revenues are forecast to decline in 2021 by 8.4% relative to the 2020 Adopted Budget due to the impacts of the COVID-19 Pandemic (“Pandemic”).
- Expenditures are growing despite declines in revenue, with personnel costs increasing by roughly 4% in 2021 relative to 2020.

- The City anticipates using more than \$1.8 million in one-time General Fund Balance to address revenue shortfalls and to restart revenue-generating City operations impacted by the Pandemic.

Levying 1% will allow the City to collect \$55,661 more in annual Property Tax revenue than if levied at the 0.602% IPD rate. According to data collected in the American Community Survey (ACS), in 2018 there were 10,123 households on Mercer Island. The difference between the 1% levy versus the 0.602% levy is an average annual impact of \$5.50 per household.

2021 Preliminary Levy Calculation

The table below summarizes the proposed 1% levy increase from 2020 to 2021.

Levy Elements	2020 Final Levy	2021 PRELIM Levy
Regular Levy:		
Prior Year Levy	\$12,012,111	\$12,261,847
Plus 1% Optional Increase	120,121	122,618
Plus New Construction	129,615	115,000
Plus Re-levy of Prior Year Refunds	19,376	3,711
Total Regular Levy	\$12,281,223	\$12,503,176
Levy Lid Lifts:		
2008 Parks Maintenance & Operations + 1%	964,630	974,276
2012 Fire Station & Fire Rescue Truck + 1%	688,880	695,769
Total Levy Lid Lifts	1,653,510	1,670,045
Total Levy	\$13,934,733	\$14,173,221
% Change Relative to Prior Year	1.00%	1.00%

The 2021 preliminary Property Tax levy includes two ordinances as required by State law:

1. Ordinance No. 20-22, which identifies the 2021 total Property Tax levy amount (Exhibit 3); and
2. Ordinance No. 20-23, which identifies the dollar and percent increase in the 2021 Property Tax levy relative to the 2020 levy (Exhibit 4).

For the 2021 tax year, the City's total Property Tax levy consists of the following elements:

- **Regular levy:** Funds general government operations, fire apparatus replacement, pre-LEOFF I firefighters' pension benefits, and LEOFF I retiree long-term care costs.
- **1.0 % optional increase:** Applies to the regular levy and the levy lid lifts, which are noted above, and represents the maximum increase the City Council can adopt for the coming year, excluding new construction and the re-levy of the prior year refunds.
- **New construction:** Represents the new and improved properties included in the Property Tax rolls. A preliminary estimate of \$115,000 is assumed for new construction pending final numbers from the King County Assessor's Office.

- **Re-levy of prior year refunds:** Represents the amount refunded to property owners who successfully appealed their property valuations by the Assessor's Office. This amount is re-levied in the following year to make the City financially whole.
- **2008 levy lid lift:** Approved by voters in November 2008 for parks maintenance and operations (a 15-year levy ending in 2023). The 1.0 % optional increase was included in the 2021 levy amount.
- **2012 levy lid lift:** Approved by voters in November 2012 for the replacement of the South Fire Station and a fire rescue truck (a 9-year levy ending in 2021). The 1.0% optional increase, which pays for debt service on Station 92 and a contributes to the fire apparatus replacement reserves, was included in the 2021 levy amount.

Banked Capacity

Municipalities can choose to not levy the full 1% resulting from the resolution of substantial need. If the City Council chooses to levy less than the maximum amount allowed, it may "bank" capacity not levied to use in the future. To bank capacity, however, the City Council will still be required to approve the resolution of substantial need. Staff is not recommending assessing less than 1% in 2021.

Preliminary Versus Final Levy Amount

All King County cities are legally required to submit an estimate of their 2021 Property Tax levies to the Metropolitan King County Council by early December. The King County Assessor's Office does not, however, provide each City with the final assessed valuation and new construction amounts for the new tax year until the second week of December.

As a result, cities adopt Property Tax levies for the coming year based on a preliminary assessed valuation and new construction amounts. When the finalized amounts are distributed by the Assessor's Office in December, staff simply notify the Metropolitan King County Council of the corrected levy amount.

Alternatives to the 1% Property Tax

The City Council could choose not to adopt the resolution of substantial need. Without passage of the resolution, the maximum allowed increase for the Property Tax levy in 2021 will be limited by the IPD rate – 0.602% - rather than the full 1%, thereby reducing the total amount of the Property Tax the City will collect in 2021 by \$55,661. Furthermore, this reduction will be compounded in future years.

Alternatively, the City Council could choose not to adopt the Property Tax levy ordinance. Without passage, the City is only allowed to levy the same amount as the year prior. This will result in \$13.93 million in Property Tax revenues, \$238,488 below the maximum allowable levy. This will require reducing expenditures in the 2021 proposed budget by the equivalent amount to maintain a balanced budget.

2021 UTILITY RATE RESOLUTIONS

The City operates three separate utilities (Water, Sewer, and Storm Water), with customer charges funding all operating and maintenance costs as well as capital investments. Based on this "pay as you go" financing strategy, the City Council adopts incremental rate increases each year to ensure utility systems and infrastructure are well managed, maintained, and when appropriate, replaced.

Emergency Medical Service (EMS) utility revenues are directly tied to the average budgeted salary and benefit costs, excluding overtime, of four firefighters hired in 1996. The four firefighter positions were added to the Department to provide capacity to handle simultaneous EMS calls during high call demand. This cost constitutes the annual revenue requirement to the General Fund.

The 2020 adopted, 2021 proposed, and 2022 forecasted bi-monthly utility rates for water, sewer, storm water, and EMS services are included in the table below for a typical single-family residential customer.

The 2021 proposed rates were unanimously approved by the Utility Board on October 14, 2020.

Utility Rate Component		Bi-Monthly Charge			\$ Change		% Change	
		2020	2021	2022	2021	2022	2021	2022
		Adopted	Proposed	Forecast	Proposed	Forecast	Proposed	Forecast
City	Water	\$ 110.29	\$ 116.08	\$ 122.17	\$ 5.79	\$ 6.09	5.25%	5.25%
City	Sewer Maintenance	90.26	93.87	97.63	3.61	3.76	4.00%	4.00%
County	Sewer Treatment	90.66	94.74	99.00	4.08	4.26	4.50%	4.50%
City	Storm Water	35.77	37.74	39.81	1.97	2.07	5.50%	5.50%
City	EMS	9.56	9.73	9.90	0.17	0.17	1.78%	1.78%
Total Increase		\$ 337	\$ 352	\$ 369	\$ 16	\$ 16	4.64%	4.64%

The utility rate increase in 2021 is 4.64%, or \$15.62 every two months, which is slightly less than the 4.7% increase (\$16.11) adopted for fiscal year 2020. Resolutions 1588-1591 (Exhibits 5-8) set the water, sewer, storm water, and EMS rates respectively beginning January 1, 2021.

2021 NORCOM Budget Resolution

Resolution No. 1592 (Exhibit 9) approves Northeast King County Regional Public Safety Communication Agency’s (NORCOM) 2021 budget allocation to the City of Mercer Island. Every participating City must adopt such a resolution before NORCOM approves its 2021 Budget in December 2020. Compared to 2020, NORCOM’s 2021 budget allocation to Mercer Island decreased \$29,557, or by 4.0%, as shown in the table below.

NORCOM Budget Allocations				
Department	2020	2021	\$ Change	% Change
Police	569,569	539,114	(30,455)	-5.3%
Fire	165,022	165,920	898	0.5%
Total	\$ 734,591	\$ 705,034	\$ (29,557)	-4.0%

ADOPTION OF 2021-2022 BUDGET

All of the changes approved at this City Council meeting, along with any other Council-directed changes, will be incorporated into the 2021-2022 Final Budget ordinance, which will be brought to the City Council for final review and adoption on December 1, 2020.

RECOMMENDATIONS

1. Approve Resolution No. 1587, declaring a finding of “substantial need” and setting the 2021 Property Tax levy limit at 101%.
2. Suspend the City Council Rules of Procedure 6.3, requiring a second reading for an ordinance.
3. Adopt Ordinance No. 20-22, appropriating funds and establishing the amount of Property Taxes to be levied for fiscal year 2021.

4. Adopt Ordinance No. 20-23, establishing the dollar amount and percentage increases of the regular Property Tax levy and the levy lid lifts for fiscal year 2021.
5. Allocate \$30,000 of unassigned General Fund Balance to complete the Housing Needs Assessment as part of the 2021-2022 budget.
6. Approve the following utility rates:
 - a. Approve Resolution No. 1588, establishing classifications of water users and a schedule of charges for water usage, a schedule of rates for fire service, a schedule of special service charges, meter and service installation charges, and connection charges effective January 1, 2021 and thereafter.
 - b. Approve Resolution No. 1589, establishing rates and connection charges for sewage disposal services provided by the City of Mercer Island effective January 1, 2021 and thereafter.
 - c. Approve Resolution No. 1590, establishing the bi-monthly service charge for storm and surface water services provided by the City of Mercer Island effective January 1, 2021 and thereafter.
 - d. Approve Resolution No. 1591, establishing the bi-monthly utility fee for the emergency medical and ambulance services supplied by the City of Mercer Island effective January 1, 2021 and thereafter.
7. Approve Resolution No. 1592, approving NORCOM's 2021 budget allocation to the City of Mercer Island.

Budget Proposal Selection Results from 11/2/2020 Council Meeting				
GENERAL FUND OVERVIEW	2019A	2020E	2021B	2022B
TOTAL REVENUES	\$ 32,411,525	\$ 30,493,128	\$ 29,981,487	\$ 30,690,407
TOTAL EXPENDITURES	\$ 31,250,600	\$ 30,527,539	\$ 29,153,452	\$ 29,621,855
REVENUES OVER/(UNDER) EXPENDITURES	1,160,925	(34,411)	828,035	1,068,552
FUND BALANCE-FYE	6,958,857	6,924,446	7,752,481	8,821,033
LESS: COMMITTED/RESERVED	4,220,612	3,301,969	3,390,769	3,479,569
UNASSIGNED FUND BALANCE-FYE	\$ 2,738,245	\$ 3,622,477	\$ 4,361,712	\$ 5,341,464
NET IMPACT, ONE-TIME CHANGES			1,581,504	1,749,146
NET IMPACT, ONGOING CHANGES			461,604	1,243,095
REMAINING UNASSIGNED BALANCE	\$ 2,738,245	\$ 3,622,477	\$ 2,318,604	\$ 306,115

BUDGET PROPOSALS			
DECISION	ONE-TIME CHANGES	2021B	2022B
Approved	Paydown long-term liability in Fund (606)	100,000	100,000
Approved	Paydown long-term liability LEOFF 1 Reserve	200,000	200,000
Approved	Classification & Compensation study	60,000	-
Approved	Biennial Public Opinion Survey	-	20,000
Approved	Municipal Court Services Study	20,000	-
Approved	Cultural Competency Training	20,000	20,000
Approved	Town Center Retail Analysis & Code Update	50,000	-
Approved	Transportation, Parks, & Fire Impact Fee Study	-	125,000
Approved	Enterprise Resource Planning Software Acquisition	65,500	98,250
Approved	ADA Transition Plan phased with Asset Mgmt System	100,000	150,000
Approved	Soil Remediation & Site Characterization	148,000	55,500
Approved	Appropriation: Youth & Family Services Funding	103,122	857,455
Approved	Town Center Parking Study	40,000	-
Not Approved	Consultant to create the City's Housing Action Plan	150,000	-
Not Approved	Fire Services Request for Proposals	80,000	-
Approved	Funding for a Special Election	55,000	-
Approved	Recreation Recovery Plan Startup Funding	400,000	-
Approved	Thrift Shop Startup Funding	100,000	-
Approved	Economic Development Coordinator (1.0 LTE)	119,882	122,941
ONGOING CHANGES			
Approved	Senior Policy Analyst (1.0 FTE) starting mid-year	67,740	138,848
Approved	Financial Analyst (1.0 FTE)	-	55,143
Approved	Mobile Integrated Health (MIH) Program	108,000	110,000
Approved	<i>King County ALS/EMS Levy for MIH Program</i>	<i>(108,000)</i>	<i>(110,000)</i>
Approved	Patrol Officers (2.0 FTE)	-	243,242
Approved	Sustainability Program Analyst (1.0 FTE)	35,640	36,517
Approved	Reinstate Park Maintenance Casual Labor	263,224	274,346
Approved	Town Center Beautification	60,000	60,000
Approved	YFS Diversity, Equity, & Inclusion Training	5,000	5,000
Approved	Public Camping & Shelter Support	10,000	10,000
Approved	Contract Utility Locate Services (\$60,000/yr to Utility Funds)	-	-
Approved	Recreation Programming Operating Subsidy	-	400,000
Approved	Farmers' Market Subsidy	20,000	20,000

**CITY OF MERCER ISLAND
RESOLUTION NO. 1587**

**A RESOLUTION OF THE CITY OF MERCER ISLAND, WASHINGTON
MAKING A FINDING OF SUBSTANTIAL NEED TO SET THE LIMIT
FACTOR AT ONE HUNDRED AND ONE PERCENT FOR THE 2021
PROPERTY TAX LEVY.**

WHEREAS, the limit factor for annual property tax levies under RCW 84.55.010 is the lesser of 101% or 100% plus inflation of the highest levy of the most recent three years; and

WHEREAS, RCW 84.55.005(1) defines inflation for property tax purposes as the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent 12-month period by the Bureau of Economic Analysis of the federal Department of Commerce by September 25th of the year before the taxes are payable; and

WHEREAS, the implicit price deflator is 0.60512%, which is less than 1%; and

WHEREAS, the preliminary 2021-2022 General Fund Budget was balanced assuming the 1.0 percent optional increase is taken in 2021 and 2022, and

WHEREAS, the Mercer Island City Council recognizes that significant deficits are projected in the Youth & Family Services Fund in 2021 and 2022, which will be temporarily balanced using one time funding from either the General Fund or the Contingency Fund, and

WHEREAS, many of the City's revenue-generating operations remain closed or significantly reduced due to the impacts of the COVID-19 global pandemic, and

WHEREAS, inflationary increases to salary costs range from 1.7% to 1.9% and benefit premium increases are estimated at 4.0%, and

WHEREAS, the COVID-19 global pandemic continues to impact local, State, and the National economy creating the risk of a nationwide recession which would negatively impact sales tax and business and occupation tax estimates, and

WHEREAS, RCW 84.55.0101 provides for use of a limit factor of 101%, rather than the lesser limit factor of 100.605%, with a finding of substantial need by a majority plus one of the City Council;

NOW, THEREFORE, BE IT RESOLVED BY THE MERCER ISLAND CITY COUNCIL AS FOLLOWS:

The Mercer Island City Council hereby finds that there is a substantial need under RCW 84.55.0101 to set the 2021 property tax levy limit factor at one hundred and one percent (101%).

PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON AT ITS REGULAR MEETING ON THE 17TH DAY OF NOVEMBER, 2020.

CITY OF MERCER ISLAND

Benson Wong, Mayor

ATTEST:

Deborah Estrada, City Clerk

**CITY OF MERCER ISLAND
ORDINANCE NO. 20-22**

AN ORDINANCE RELATING TO THE LEVYING OF REGULAR PROPERTY TAXES AND ESTABLISHING THE AMOUNT TO BE LEVIED IN 2021 ON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY.

WHEREAS, the City Council of the City of Mercer Island has conducted its review of the 2021-2022 Budget; and

WHEREAS, pursuant to RCW 84.55.120, the City Council of the City of Mercer Island held a public hearing for the purpose of considering testimony regarding the 2021 property tax levy; and

WHEREAS, the City Council of the City of Mercer Island, after due consideration of the evidence and testimony at the public hearing, has determined that the City requires an increase in property tax revenue in order to discharge the expected expenses and obligations of the City of Mercer Island; and

WHEREAS, the voters of the City of Mercer Island approved a levy lid lift in 2008 for the purpose of operating and maintaining Luther Burbank Park and other City parks and open spaces; and

WHEREAS, the voters of the City of Mercer Island approved a levy lid lift in 2012 for the purpose of replacing Fire Station No. 92 and a fire rescue truck; and

WHEREAS, the City intends to collect \$974,276 of the authorized 2008 Park Maintenance and Operations levy lid lift in 2021; and

WHEREAS, the City intends to collect \$695,769 of the authorized 2012 Fire Station and Fire Rescue Truck Replacement levy lid lift in 2021;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Total Property Tax Levy in 2021.

The property tax levy is hereby authorized to be collected in the 2021 tax year in the estimated amount of \$14,173,221, which amount when added to the estimated revenues will balance the revenues with the expenditures and which amount is in compliance with all applicable laws.

Section 2. Detail of Property Tax.

There is hereby levied upon all taxable property within the City of Mercer Island, Washington, a total tax of \$14,173,221 as follows:

REGULAR LEVY:	
Prior Year Levy	\$12,261,847
1.0% Optional Increase	122,618
New Construction	115,000
Refund Levy	3,711
LEVY LID LIFTS:	
2008 Parks Maintenance & Operations	974,276
2012 Fire Station & Fire Rescue Truck	695,769
TOTAL TAXES REQUESTED FOR 2019	<u>\$14,173,221</u>

The foregoing property tax levy amount shall be automatically adjusted without further action of the City Council to correspond to the final assessed valuation, new construction, and refund levy totals to be received from the King County Assessor prior to December 31, 2020.

Section 3. Authorized Follow-up Actions.

Pursuant to RCW 84.52.020, the City Clerk is directed to certify the amount necessary to be raised by taxation as specified above to the Metropolitan King County Council. The City Finance Director is authorized and directed to transmit any adjustment made pursuant to Section 2 above to the 2021 property tax levy amount to the Metropolitan King County Council.

Section 4. Effective Date.

This ordinance shall take effect five days after passage and publication in the official newspaper of the City.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON AT ITS REGULAR MEETING ON THE 17TH DAY OF NOVEMBER, 2020.

CITY OF MERCER ISLAND

Benson Wong, Mayor

Approved as to Form:

ATTEST:

Deborah A. Estrada, City Clerk

Bio Park, City Attorney

Date of Publication: _____

**CITY OF MERCER ISLAND
ORDINANCE NO. 20-23**

**AN ORDINANCE AUTHORIZING AN INCREASE IN
THE PROPERTY TAX LEVY FOR THE YEAR 2021**

WHEREAS, the City Council of the City of Mercer Island has conducted its review of the 2021-2022 Budget; and

WHEREAS, pursuant to RCW 84.55.120, the City Council of the City of Mercer Island held a public hearing for the purpose of considering testimony regarding the 2021 property tax levy; and

WHEREAS, the City Council of the City of Mercer Island, after due consideration of the evidence and testimony at the public hearing, has determined that the City requires an increase in property tax revenue in order to discharge the expected expenses and obligations of the City of Mercer Island; and

WHEREAS, the voters of the City of Mercer Island approved a levy lid lift in 2008 for the purpose of operating and maintaining Luther Burbank Park and other City parks and open spaces; and

WHEREAS, the voters of the City of Mercer Island approved a levy lid lift in 2012 for the purpose of replacing Fire Station No. 92 and a fire rescue truck; and

WHEREAS, the City intends to collect \$974,276 of the authorized 2008 Park Maintenance and Operations levy lid lift in 2021; and

WHEREAS, the City intends to collect \$695,769 of the authorized 2012 Fire Station and Fire Rescue Truck Replacement levy lid lift in 2021;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Total Property Tax Increase.

There is hereby levied upon all taxable property within the City of Mercer Island, Washington, a total property tax levy of \$14,173,221, which is \$119,778, or 0.86 percent, more than the 2020 total property tax levy, excluding the amounts for new construction and refunds related to the 2021 tax year. The foregoing property tax levy amount shall be automatically adjusted without further action of the City Council to correspond to the final assessed valuation, new construction, and refund levy totals to be received from the King County Assessor prior to December 31, 2020.

Section 2. Authorized Follow-up Actions.

Pursuant to RCW 84.52.020, the City Clerk is directed to certify the amount necessary to be raised by taxation as specified above to the Metropolitan King County Council. The City Finance Director is authorized and directed to transmit any adjustment made pursuant to Section 1 above to the 2021 property tax levy amount to the Metropolitan King County Council.

Section 3. Effective Date.

This ordinance shall take effect five days after passage and publication in the official newspaper of the City.

ADOPTED BY THE CITY COUNCIL OF MERCER ISLAND, WASHINGTON AT ITS REGULAR MEETING ON THE 17TH DAY OF NOVEMBER, 2020.

CITY OF MERCER ISLAND

Benson Wong, Mayor

ATTEST:

Approved as to Form:

Deborah A. Estrada, City Clerk

Bio Park, City Attorney

Date of Publication: _____

**CITY OF MERCER ISLAND
RESOLUTION NO. 1588**

**A RESOLUTION OF THE CITY OF MERCER ISLAND, WASHINGTON
PROVIDING FOR CLASSIFICATIONS OF WATER USERS; SETTING A
BI-MONTHLY SCHEDULE OF RATES AND CHARGES FOR WATER USAGE
AND FIRE SERVICE; AND SETTING A SCHEDULE OF SPECIAL SERVICE
CHARGES, METER INSTALLATION CHARGES, AND CONNECTION
CHARGES EFFECTIVE JANUARY 1, 2021 AND THEREAFTER.**

WHEREAS, the City of Mercer Island provides water service to customers; and

WHEREAS, the City of Mercer Island is authorized to set rates and charges for the Utility under Chapter 15.12 of the Mercer Island City Code;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON AS FOLLOWS:

Section 1. Classifications of Water Users Effective January 1, 2021

The following classifications of users are hereby adopted by the City for the City water system effective January 1, 2021, and thereafter.

- A. Single Family.** "Single Family" shall mean a residential structure or dwelling as defined in the City of Mercer Island Zoning Code, capable of being conveyed by separate title, served by a single domestic water meter. Provided, that where prior to December 1, 1980, more than one single family dwelling was served through a single common water meter, such service shall be allowed to continue under the "Single Family" classification until such time as the property or properties are subdivided into separate parcels, or when a higher demand for water service, as determined by the City, is required by a change in use or zoning.
- B. Low Income.** "Low Income" shall mean a person who shows satisfactory proof that he or she is living in a single family residence, and has a maximum annual income of not more than seventy percent (70%) of the Washington State median income as applicable for the number of individuals in the household as computed annually by the State or City. Applicants shall provide such data as to verify eligibility, upon forms provided by and in the manner determined by the City of Mercer Island.
- C. Multi-Family.** "Multi-Family" shall mean a residential structure or facility designed and/or used to house two or more families living independently of each other, including but not limited to, duplexes, triplexes, apartment buildings and condominiums, but shall not include hotels and motels.
- D. Commercial.** "Commercial" shall mean a structure or facility designed and/or used to conduct business and commerce, including but not limited to, motels, hotels, professional, private schools, industrial, churches and all other commercial/business users.
- E. Public.** "Public" shall mean structures and facilities used by governmental entities including the state, county, City of Mercer Island and other municipal corporations of the state and public schools of the Mercer Island School District.

F. **Irrigation.** "Irrigation" shall mean all meters used for the purpose of watering shrubbery, lawns, flower beds, gardens, ornamentals and the like.

Section 2. Schedule of Rates and Charges for Water Usage and Fire Service Effective January 1, 2021

A. **Rates.** The bi-monthly rates for metered water supplied by the City of Mercer Island for each one hundred (100) cubic feet of water consumed are set forth below:

Residential Bimonthly Water Rates					
Class	Fixed Charge	Volume Charge			
	Per Meter	Block 1	Block 2	Block 3	Block 4
	Equivalent*	(0-10 ccf)	(11-20 ccf)	(21-30 ccf)	(31+ ccf)
Single Family Residential	\$38.82	\$4.61	\$7.79	\$9.36	\$12.59
Low-Income Residential	\$38.82	\$1.15	\$1.95	\$2.34	\$3.15
Conservation Surcharge**				\$0.10	\$0.30
Class	Fixed Charge	Volume Charge			
	Per Meter	All Use			
	Equivalent*	(0-99+ ccf)			
Multi-Family Residential	\$38.82	\$6.83			

* Meter Equivalentents are summarized in a following table. The total meter equivalent charge is based on the meter size and is calculated by multiplying the meter equivalentents by the per meter equivalentent rate.

** A surcharge of \$0.10 per ccf for single family residential bimonthly usage between and including 21 and 30 ccf, and \$0.30 per ccf for bimonthly usage in excess of 30 ccf, shall be included in the rates as an incentive to conserve and may be used to fund conservation education. This surcharge shall apply on consumption of water from June 1 through September 30.

Non-Residential Bimonthly Water Rates			
Class	Fixed Charge	Volume Charge	
	Per Meter	Winter**	Summer**
	Equivalent*	(All Usage)	(All Usage)
Commercial/Public	\$ 38.82	\$ 4.24	\$ 10.54
Irrigation	\$ 38.82	\$ 6.35	\$ 13.34

* Meter Equivalentents are summarized in a following table. The total meter equivalentent charge is based on the meter size and is calculated by multiplying the meter equivalentents by the per meter equivalentent rate.

** Seasons: Summer is June 1 through September 30; October 1 through May 31 is winter.

Table of Meter Equivalents and Fixed Charges		
Meter Size	Meter Equivalent	Fixed Charge
3/4 Inch or Smaller	1.0	\$ 38.82
1 Inch	2.5	\$ 97.05
1-1/2 Inch	5.0	\$ 194.10
2 Inch	8.0	\$ 310.56
3 Inch	16.0	\$ 621.12
4 Inch	25.0	\$ 970.50
6 Inch	50.0	\$ 1,941.00

- B. Fire Service Rates.** There is hereby established a schedule of rates for fire service which are the minimum monthly service charges for fire protection purposes exclusively for any two months, or fractional part thereof, as follows:

Service Connection	Rate
2 inch	\$ 36.42
3 inch	\$ 36.42
4 inch	\$ 45.99
5 inch	\$ 45.99
8 inch	\$ 65.20

- C. Rates for Unauthorized Use.** Water taken through unauthorized connections to the City water system shall be charged at double the rates set forth above based on the applicable "Classification of User" from the date of the commencement of such unauthorized use.

Section 3. Special Service Charges, Meter Installation Charges and Connection Charges Effective January 1, 2021

The following special service charges, meter installation charges, and connection charges are hereby adopted by the City.

- A. Special Service Charges.** There is hereby established a schedule of service charges to recover operating costs incurred in establishing new accounts, changes in occupancy, special service requests by customers, delinquent account collections and processing of NSF checks as follows:

Service Charge	Fee
New water set-up fee (meter reading)	\$ 40.00
Water shut-off, requested by user, during normal working hours	\$ 30.00
Water shut-off, requested by user, after hours	\$ 170.00
Non-payment dorr hanger notification (each occurrence)	\$ 25.00
Non-payment water turn on/turn off, normal working hours	\$ 80.00
Non-payment water turn on/turn off, after hours	\$ 195.00
Locked water meter due to theft	\$ 25.00
Non-sufficeint funds (check handling fee)	\$ 40.00

- B. Meter Installation Charges.** There is hereby established a schedule of meter installation charges for connection of new meters to the City water system, and for changes to water service where the previous type of use has been changed or increased as follows: For meters of all sizes, the charge will be based on the actual cost of installation. A deposit is required, based on the estimated cost, and is collected at the time of permitting the work.
- C. Connection Charges.** There is hereby established a schedule of connection charges for the installation of water service to property not previously served or for the installation of water service for an additional type of use and/or increase in meter size as follows:

Meter Size	Connection Charge
3/4 Inch or Smaller	\$ 2,599
1 Inch	6,498
1-1/2 Inch	12,997
2 Inch	20,794
3 Inch	41,589
4 Inch	64,983
6 Inch	129,965

Connection charges are studied periodically and adjusted for inflation in years between studies. The inflation factor applied is CPI-W First Half for Seattle-Tacoma-Bellevue.

For meter upsizes, the difference in the connection charge between the new meter size and the old meter size will be charged.

The provisions of this section shall not be construed to apply to additional water service for fire protection purposes.

Section 4. Effective Date

This resolution shall take effect and be in force on and after January 1, 2021. Nothing contained herein shall affect the amount of collection of rates, fees, and charges established prior to January 1, 2021.

PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON AT ITS REGULAR MEETING ON THE 17TH DAY OF NOVEMBER, 2020.

CITY OF MERCER ISLAND

Benson Wong, Mayor

ATTEST:

Deborah A. Estrada, City Clerk

**CITY OF MERCER ISLAND
RESOLUTION NO. 1589**

**A RESOLUTION OF THE CITY OF MERCER ISLAND, WASHINGTON
PROVIDING FOR CLASSIFICATIONS OF USERS AND SETTING BI-MONTHLY
RATES AND CONNECTION CHARGES FOR SEWERAGE DISPOSAL
SERVICES EFFECTIVE JANUARY 1, 2021 AND THEREAFTER.**

WHEREAS, the City of Mercer Island provides sewer service to customers; and

WHEREAS, the City of Mercer Island is authorized to set rates and charges for the Utility under Chapter 15.06.110 of the Mercer Island City Code;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AS FOLLOWS:

Section 1. Classifications of Sewer Users Effective January 1, 2021

The following classifications of users are hereby adopted by the City for the City sewer system effective January 1, 2021, and thereafter.

- A. Single Family.** "Single Family" shall mean a residential structure or dwelling as defined in the City of Mercer Island Zoning Code, capable of being conveyed by separate title, served by a single domestic water meter.
- B. Low Income.** "Low Income" shall mean a person who shows satisfactory proof that he or she is living in a single family residence, and has a maximum annual income of not more than seventy percent (70%) of the Washington State median income as applicable for the number of individuals in the household as computed annually by the State or City. Applicants shall provide such data as to verify eligibility, upon forms provided by and in the manner determined by the City of Mercer Island.
- C. Multi-Family.** "Multi-Family" shall mean a residential structure or facility designed and/or used to house two or more families living independently of each other, including but not limited to, duplexes, triplexes, apartment buildings and condominiums, but shall not include hotels and motels.
- D. Commercial.** "Commercial" shall mean a structure or facility designed and/or used to conduct business and commerce, including but not limited to, motels, hotels, professional, private schools, industrial, churches and all other commercial/business users.
- E. Public.** "Public" shall mean structures and facilities used by governmental entities including the state, county, City of Mercer Island and other municipal corporations of the state and public schools of the Mercer Island School District.

Section 2. Sewerage Disposal Services Rates and Charges Effective January 1, 2021

The bi-monthly rates and charges for sewerage disposal services are set forth below:

Single Family Bimonthly Sewer Rates				
Class	King County Fixed Charge	City Sewer Line Maintenance		
		Fixed Charges		Volume Charge
	King County Sewage Treatment	Billing Cost	Base Charge (For first 600 cf of AVERAGE Winter Water Use ¹)	Per 100 cf of AVERAGE Winter Water Use ¹ beyond first 600 cf
Single Family Residential	\$94.74	\$9.84	\$50.40	\$8.40
Low-Income Residential ²	\$94.74	\$9.84	\$12.60	\$2.10

A. Average winter water usage is based on the most current 4 months of winter water usage data available in the billing system. Calculation of the winter water average is based on usage as shown on the January and March bills or February and April bills depending on the billing/reading cycle. Calculation of sewer charges using the winter average is in effect for the following 12 months, until the next winter’s water consumption data is available.

In the case of single family property, where there is no method of accurately calculating the average winter water usage because no water was used during the winter months, or any part thereof, or because the property is not connected to the sanitary sewer system, or for any other reason approved by the Deputy Finance Director or the Finance Director, the sewer volume charge herein will be the Island-wide bi-monthly average winter water use.

Newly-constructed single family properties shall be charged a sewer volume charge based on the per unit Island-wide average water usage for single family properties. Newly-constructed multi-family and commercial properties shall be charged a sewer volume charge based on their actual water usage.

Multi-Family and Commercial Bimonthly Sewer Rates			
Class	King County	City Sewer Line Maintenance	
	Sewage Treatment (Per 100 cf of ACTUAL Water Use ²)	Billing Cost	Volume Charge Per 100 cf of ACTUAL Water Use
Multi-Family Residential	\$6.32	\$9.84	\$8.40
Commercial / Public	\$6.32	\$9.84	\$8.40

B. The King County rate for multi-family and commercial is derived by dividing King County’s monthly rate (\$47.37) by King County’s residential customer equivalency usage value of 750 cubic feet.

Section 3. Sewer Connection Charges Effective January 1, 2021

The connection charges payable by the property owners for connection to the City of Mercer Island sanitary sewer system shall be as follows:

Connection Charges	
All Classifications of Users	\$2,279 per King County residential customer equivalent (RCE)

Connection charges are studied periodically and adjusted for inflation in years between studies. The inflation factor applied is CPI-W First Half for Seattle-Tacoma-Bellevue.

All connection charges shall be due and payable at the time the connection service is requested and shall be delinquent if unpaid at the time the connection service is actually made. In the event of delinquency, the connection charges shall be double the amount set forth above.

Section 4. Effective Date

This resolution shall take effect and be in force on and after January 1, 2021. Nothing contained herein shall affect the amount of collection of rates, fees, and charges established prior to January 1, 2021.

PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AT ITS REGULAR MEETING ON THE 17TH DAY OF NOVEMBER, 2020.

CITY OF MERCER ISLAND

Benson Wong, Mayor

ATTEST:

Deborah A. Estrada, City Clerk

**CITY OF MERCER ISLAND
RESOLUTION NO. 1590**

**A RESOLUTION OF THE CITY OF MERCER ISLAND, WASHINGTON PROVIDING
FOR CLASSIFICATIONS OF USERS AND SETTING BI-MONTHLY RATES FOR
STORM AND SURFACE WATER SERVICES EFFECTIVE JANUARY 1, 2021 AND
THEREAFTER.**

WHEREAS, the City of Mercer Island provides storm and surface water services to customer; and

WHEREAS, the City of Mercer Island is authorized to set rates and charges for the Utility under Chapter 15.10.070 of the Mercer Island City Code;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AS FOLLOWS:

Section 1. Classifications of Storm and Surface Water Users Effective January 1, 2021

The following classifications of users are hereby adopted by the City for the City storm and surface water system effective January 1, 2021, and thereafter.

- A. Single Family.** "Single Family" shall mean a residential structure or dwelling as defined in the City of Mercer Island Zoning Code, capable of being conveyed by separate title, served by a single domestic water meter.
- B. Low Income.** "Low Income" shall mean a person who shows satisfactory proof that he or she is living in a single family residence, and has a maximum annual income of not more than seventy percent (70%) of the Washington State median income as applicable for the number of individuals in the household as computed annually by the State or City. Applicants shall provide such data as to verify eligibility, upon forms provided by and in the manner determined by the City of Mercer Island.
- C. Multi-Family.** "Multi-Family" shall mean a residential structure or facility designed and/or used to house two or more families living independently of each other, including but not limited to, duplexes, triplexes, apartment buildings and condominiums, but shall not include hotels and motels.
- D. Commercial.** "Commercial" shall mean a structure or facility designed and/or used to conduct business and commerce, including but not limited to, motels, hotels, professional, private schools, industrial, churches and all other commercial/business users.
- E. Public.** "Public" shall mean structures and facilities used by governmental entities including the state, county, City of Mercer Island and other municipal corporations of the state and public schools of the Mercer Island School District.

Section 2. Storm and Surface Water Services Rates Effective January 1, 2021

The bi-monthly rates (per equivalent service unit) for storm and surface water services are set forth below:

Bi-monthly Storm and Surface Water Rates	
Classification of User	Rate
Single Family Residential	\$37.74
Low Income Residential	\$ 9.43
Multi-Family Residential*	\$37.74
Commercial/Public*	\$37.74

* For Multi-Family Residential, Commercial or Public property in the City, the number of equivalent service units is determined by dividing the total square feet of impervious surface for each account (which includes roof tops, pavement, and trafficked gravel) by the average square footage of impervious surface for single family residential accounts (3,471 square feet is the average).

Section 3. Effective Date

This resolution shall take effect and be in force on and after January 1, 2021. Nothing contained herein shall affect the amount of collection of rates, fees, and charges established prior to January 1, 2021.

PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON AT ITS MEETING ON THE 17TH DAY OF NOVEMBER, 2020.

CITY OF MERCER ISLAND

Benson Wong, Mayor

ATTEST:

Deborah A. Estrada, City Clerk

**CITY OF MERCER ISLAND
RESOLUTION NO. 1591**

**A RESOLUTION OF THE CITY OF MERCER ISLAND, WASHINGTON SETTING
BI-MONTHLY SERVICE FEES FOR THE EMERGENCY MEDICAL AND
AMBULANCE SERVICES EFFECTIVE JANUARY 1, 2021 AND THEREAFTER.**

WHEREAS, in 1980, the Mercer Island City Council created an ambulance service public utility for the purpose of regulating the delivery of basic life support emergency medical and ambulance service within the City of Mercer Island (“Utility”); and

WHEREAS, the City of Mercer Island is authorized to set fees for the Utility under Chapter 15.02 of the Mercer Island City Code, RCW 35.21.766 and RCW 35.27.370(15); and

WHEREAS, the Council directed staff to establish a flat fee per equivalent service unit for BLS ambulance transport service beginning in 2011;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AS FOLLOWS:

**Section 1. Classifications of Emergency Medical and Ambulance Services Users
Effective January 1, 2021**

The following classifications of users are hereby adopted by the City for emergency medical and ambulance services effective January 1, 2021, and thereafter.

- A. Single Family.** “Single Family” shall mean a residential structure or dwelling as defined in the City of Mercer Island Zoning Code, capable of being conveyed by separate title, served by a single domestic water meter.
- B. Low Income.** “Low Income” shall mean a person who shows satisfactory proof that he or she is living in a single family residence, and has a maximum annual income of not more than seventy percent (70%) of the Washington State median income as applicable for the number of individuals in the household as computed annually by the State or City. Applicants shall provide such data as to verify eligibility, upon forms provided by and in the manner determined by the City of Mercer Island.
- C. Multi-Family.** “Multi-Family” shall mean a residential structure or facility designed and/or used to house two or more families living independently of each other, including but not limited to, duplexes, triplexes, apartment buildings and condominiums, but shall not include hotels and motels.
- D. Commercial.** “Commercial” shall mean a structure or facility designed and/or used to conduct business and commerce, including but not limited to, motels, hotels, professional, private schools, industrial, churches and all other commercial/business users.
- E. Public.** “Public” shall mean structures and facilities used by governmental entities including the state, county, City of Mercer Island and other municipal corporations of the state and public schools of the Mercer Island School District.

F. Residential Board & Care and 24-Hour Care. “Residential Board & Care” or “24-Hour Care” users are based on the fire property classification.

Section 2. Emergency Medical and Ambulance Services Fees Effective January 1, 2021

The bi-monthly services fees per equivalent service unit (ESU) for emergency medical and ambulance services are set forth below:

Customer Class	ESU	Bi-Monthly
Single Family Residential	1	\$9.73
Multi-Family Residential	Per # of Equivalent Living Units (# of Apartment or Condo's)	\$9.73
Commercial	1	\$9.73
Public	1	\$9.73
Residential Board & Care	Per # of Equivalent Living Units (# of available beds)	\$9.73
24 Hour Nursing	Per # of Equivalent Living Units (# of available beds)	\$9.73

Section 2. Effective Date

This resolution shall take effect and be in force on and after January 1, 2021. Nothing contained herein shall affect the amount of collection of rates, fees, and charges established prior to January 1, 2021.

PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON AT ITS REGULAR MEETING ON THE 17TH DAY OF NOVEMBER, 2021.

CITY OF MERCER ISLAND

Benson Wong, Mayor

ATTEST:

Deborah A. Estrada, City Clerk

**CITY OF MERCER ISLAND
RESOLUTION NO. 1592**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCER ISLAND
APPROVING THE CITY OF MERCER ISLAND’S ALLOCATION FOR THE
NORTH EAST KING COUNTY REGIONAL PUBLIC SAFETY
COMMUNICATIONS AGENCY (NORCOM) 2021 BUDGET.**

WHEREAS, the North East King County Regional Public Safety Communications Agency (NORCOM) was formed effective November 1, 2007; and

WHEREAS, NORCOM is in the process of adopting its annual budget for 2021; and

WHEREAS, the NORCOM Interlocal Agreement, to which the City is a party, requires that the City Council approve the City's allocation for NORCOM's budget, which is estimated to be \$705,034 in 2021;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON AS FOLLOWS:

The City of Mercer Island’s allocation (\$705,034) for the North East King County Regional Public Safety Communications Agency (NORCOM) 2021 budget is hereby approved.

PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON AT ITS REGULAR MEETING ON THE 17TH DAY OF NOVEMBER, 2020.

CITY OF MERCER ISLAND

Benson Wong, Mayor

ATTEST:

Deborah A. Estrada, City Clerk



Budget Workshop

AB 5776: Q3 2020 Financial Status Update

AB 5777: Resolutions & Ordinances for 2021-2022 Budget

November 17, 2020 City Council Meeting

Agenda

AB5776

- ❑ Q3 Financial Status Update
- ❑ Budget Proposal Selection Results (11/02)

AB5777

- ❑ Property Tax Levy
 - ❑ Finding of Substantial Need
- ❑ Water, Sewer, Storm Water, and EMS Rate Resolutions
- ❑ NORCOM Rate Resolutions
- ❑ Next Steps



Approved Budget Proposals



Summary of November 2 Council Actions Item 10.

- Unassigned General Fund Balance for FY 2021-2022 of \$4.4 M

GENERAL FUND OVERVIEW (\$ millions)	2021	2022
Unassigned General Fund Balance FYE	\$4.4	\$5.3
Net Impact, One-time Changes	1.6	1.7
Net Impact, Ongoing Changes	0.5	1.2
Remaining Unassigned Fund Balance	\$2.3	\$0.3



November 2 Council Actions

- ❑ **\$3.3 M in funding for 17 one-time proposals:**
 - ❑ One-time contributions to pay down the City's unfunded long-term liabilities.
 - ❑ Projects, purchases, and a limited-term position.
 - ❑ One-time resources to restart recreation services and the Thrift Shop.
- ❑ **\$1.7 M in funding for 13 proposals with ongoing costs, most beginning in 2022:**
 - ❑ New positions and Park and Town Center maintenance.
 - ❑ Diversity training, health initiatives, and a Farmer's Market subsidy.



November 2 Council Actions

Item 10.

- ❑ **Budget Proposal:** Housing Action Plan versus a Housing Needs Assessment
- ❑ Staff requests \$30,000 to complete a Housing Needs Assessment:
 - ❑ Inventory community's existing housing stock.
 - ❑ Analyze current and future housing needs and gaps in housing stock.
 - ❑ Review existing policies, programs, and regulations to focus future work.
- ❑ First step towards Comp Plan update (2024), foundational for future Housing Action Plan.

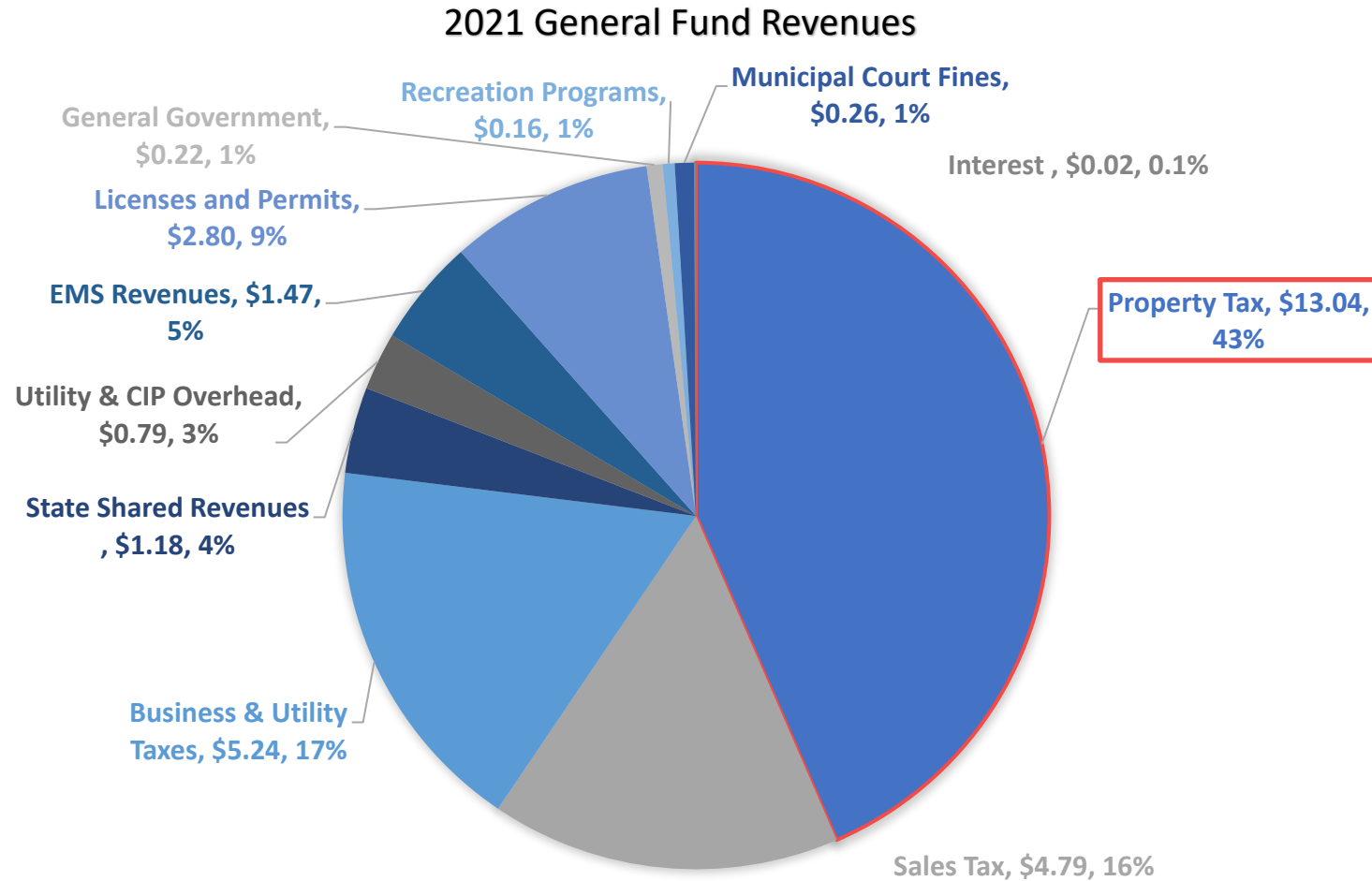


Property Tax Levy



Property Tax Overview

- Property Tax represents 43% of General Fund's \$29.98 M revenues.



Property Tax Overview

- Property Tax revenues are divided among five different Funds
 1. $\approx 92\%$ goes to the General Fund
 2. 4% goes to the Bond Redemption Fund
 3. 2% goes to the Capital Improvement Fund
 4. 2% goes to the Equipment Rental Fund
 5. $\approx 0.2\%$ goes to the Firefighter's Pension Fund



Property Tax Overview

- Property Tax consists of many different elements
 1. Regular levy
 2. 2008 levy lid lift (Parks maintenance and operations)
 3. 2012 levy lid lift (Fire Station 92 debt service and apparatus replacement)
 4. 1.0% optional annual increase
 5. New construction
 6. Re-levy from prior year refunds



Allowable Property Tax Increases

- ❑ State law permits Cities to increase property tax annually
 - ❑ 1.0% or the Implicit Price Deflator (IPD), whichever is lower, plus new construction.
 - ❑ IPD for 2021 is 0.602%
 - ❑ The City can still levy 1.0% when a “substantial need” is declared.
- ❑ Staff recommends Council adopt the resolution of substantial need.



Substantial Need Declaration

- ❑ Considerations in determining “substantial need”:
 1. General Fund revenues are forecast to decline in 2021 by 8.4%.
 2. Personnel costs increase 4% in 2021 relative to 2020.
 3. \$1.8M in one-time funds is allocated to address revenue shortfalls and to re-start operations impacted by the ongoing Pandemic.

- ❑ Compounding effect in future years.



Property Tax Levy for FY 2021

Levy Elements	2020 Final Levy	2021 PRELIM Levy
Total Regular Levy	\$12,281,223	\$12,503,176
Levy Lid Lifts		
2008 Parks Maintenance & Operations + 1%	964,630	974,276
2012 Fire Station & Fire Rescue Truck + 1%	688,880	695,769
Total Levy Lid Lifts	1,653,510	1,670,045
Total Levy	\$13,934,733	\$14,173,221
% Change Relative to Prior Year	1.00%	1.00%



Utility and Other Rate Changes



Utility Rate Changes

- ❑ Last external rate study completed in 2010.
- ❑ Water, Sewer, and Storm Water Rate Study conducted this Fall.
 - ❑ Focus on fiscal year 2021, forecast 2022.
- ❑ Considered operating costs, current debt service, & capital program costs.
- ❑ Proposed Rate Plan
 - ❑ Balances financial needs and minimizes customer impacts.
 - ❑ Reaches reinvestment funding targets AND current capital needs.



Proposed Rates

- Unanimous recommendation from Utility Board on October 14, 2020.

Rate	Percent Increase 2021 and 2022	Increase per Month in 2021	Increase per Month in 2022
Water	5.25%	\$2.89	\$3.05
Sewer (local)	4.00%	\$1.81	\$1.88
Storm Water	5.50%	\$0.98	\$1.04
EMS	1.78%	\$0.09	\$0.09



NORCOM Budget

- ❑ Participant Cities must adopt a resolution before NORCOM approves its 2021 budget.
 - ❑ The City's NORCOM allocation in 2021 is \$705,034 in 2021.

NORCOM Budget Allocations				
Department	2020	2021	\$ Change	% Change
Police	569,569	539,114	(30,455)	-5.3%
Fire	165,022	165,920	898	0.5%
Total	\$ 734,591	\$ 705,034	\$ (29,557)	-4.0%



Next Steps

- ❑ December 1

- ❑ Return with final 2021-2022 Biennial Budget for City Council adoption.



Staff Recommendation



Staff Recommendation

1. Approve Resolution No. 1587, declaring a finding of “substantial need” setting the 2021 Property Tax levy limit at 101%.
2. Suspend the City Council Rules of Procedure 6.3, requiring a second reading for an ordinance.
3. Adopt Ordinance No. 20-22, appropriating funds and establishing the amount of Property Taxes to be levied for fiscal year 2021.
4. Adopt Ordinance No. 20-23, establishing the dollar amount and percentage increases of the regular Property Tax levy and the levy lid lifts for fiscal year 2021.
5. Allocate \$30,000 of unassigned General Fund Balance to complete the Housing Needs Assessment as part of the 2021-2022 budget.



Staff Recommendation

6. Approve the following utility rates:
 - A. Approve Resolution No. 1588, establishing classifications of water users and a schedule of charges for water usage, a schedule of rates for fire service, a schedule of special service charges, meter and service installation charges, and connection charges effective January 1, 2021 and thereafter.
 - B. Approve Resolution No. 1589, establishing rates and connection charges for sewage disposal services provided by the City of Mercer Island effective January 1, 2021 and thereafter.
 - C. Approve Resolution No. 1590, establishing the bi-monthly service charge for storm and surface water services provided by the City of Mercer Island effective January 1, 2021 and thereafter.
 - D. Approve Resolution No. 1591, establishing the bi-monthly utility fee for the emergency medical and ambulance services supplied by the City of Mercer Island effective January 1, 2021 and thereafter.



Staff Recommendation

Item 10.

7. Approve Resolution No. 1592, approving NORCOM's 2021 budget allocation.



Questions

Prepared by

Matthew Mornick, Interim Finance Director





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

**AB 5781
November 17, 2020
Regular Business**

AGENDA BILL INFORMATION

TITLE:	AB 5781: Adjusting Development & Construction Permit Fees - Resolution No. 1593	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Adopt Resolution No. 1593 updating the Development and Construction Permit Fees	<input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, Director and Alison Van Gorp, Deputy Director
COUNCIL LIAISON:	n/a
EXHIBITS:	<ul style="list-style-type: none"> 1. Resolution No. 1593 including: <ul style="list-style-type: none"> Attachment A: Updated Fee Schedule Attachment B: Building Valuation Table Attachment C: Building Permit Calculation Table 2. 2018 FCS Group Fee Study
CITY COUNCIL 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.

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

The purpose of this agenda bill is to update the City’s Development and Construction Permit Fee Schedule (“Permit Fee Schedule”), which is included in Resolution No. 1593 (Exhibit 1) and will take effect January 1, 2021. The development and construction permit fees are proposed to increase by 2.3% in 2021. Cost recovery targets will remain consistent with those adopted in 2020. Additionally, changes are proposed to the basis for determining fees for planning services and to the valuation factors for building permits, further explained in the narrative below.

ANNUAL COST OF SERVICES INCREASE

For 2021, the cost of providing development review services is proposed to increase by 2.3%, due to increasing salary and benefit costs. The proposed increase was calculated based on the budgeted salaries and benefits of current staff for 2021. This increase has been applied across all development and construction fees as well as the building permit calculation table (Exhibit 1, Attachments A and C).

Hourly Rate

The revisions to the Permit Fee Schedule include establishing a single hourly rate for all permit and inspection services that are charged on an hourly basis. Currently, there are a range of hourly rates established in the fee schedule, including the following:

- Planning Review - \$141.72/hr.
- Building and Fire Review - \$139.05/hr.
- Engineering Review - \$223.51/hr.

The proposed base hourly rate is \$145.23 for 2021 and represents a slight increase for Planning, Building, and Fire Marshall services and a reduction in the hourly rate for Engineering services. The hourly permit rate is an approach that is used by many cities in the area. Of the area jurisdictions that are using an hourly rate, the average and median rate is approximately \$150/hour.

The proposed hourly rate was developed based on the rate calculation for planning services provided in the 2018 FCS Group Fee Study (Exhibit 2). The FCS Group compiled the cost of salaries, benefits, direct non-labor costs, indirect costs, and overhead to calculate a “fully loaded” hourly rate. This rate was then discounted by 10% to reflect the 90% cost recovery target, which is further explained in the narrative below. A 3% technology fee was also included in the final rate. Annual increases of 4% in 2019, 0% in 2020, and 2.3% for 2021 were applied to the base rate established in 2018 to reflect the increase in salaries and benefits since the FCS Study was performed.

Establishing a single hourly rate greatly simplifies the Permit Fee Schedule for both customers and staff.

Cost Recovery Targets

Since 2016, the City has studied and attempted to align cost recovery targets for development permits and services with desired policy and budgetary objectives. The following cost recovery targets were established in 2020:

- Building permits and services 95%;
- Planning permits and services 90%; and
- Engineering permits and services 90%.

The City has continued to study and adjust the fees for development and construction permits to align with these cost recovery targets, particularly for Planning permits and services, for which there have been a series of incremental fee increases over the last few years. The last fee adjustment went into effect in January 2020 with approval of [Resolution No. 1567](#).

City staff have not been able to full evaluate the impact of the 2020 fee adjustments on cost recovery, although it is anticipated that cost recovery targets are not being met.

Time Tracking and Hourly Billing

The COVID-19 Pandemic (“Pandemic”) and the resulting 2020 budget reductions, highlighted that the total amount of permit revenue being collected was insufficient to support the cost of providing the services at the established and subsequently adjusted levels of service. In the past, General Fund contributions to the Community Planning and Development Department (“CPD”) budget have covered costs for non-permit related activities such as updating plans and regulations, as well as for permit-related costs that are not covered by fees. While non-permit related activities must remain General Fund supported, the Pandemic has

emphasized the need to make development and construction permitting and inspection services self-supporting to reduce CPD's reliance on the General Fund.

An updated permit fee study will need to be conducted to measure cost recovery performance but is not recommended at this time given the absence of project and permit-specific time tracking data. CPD's permit tracking database (TRAKiT) has an existing tool that staff are currently "beta testing." In January 2021, staff will begin project- or permit-specific time tracking for all permits and services by recording the time spent on each individual project or permit (rounded down to the nearest ¼ hour). For planning services and site development permits, this data will be used to generate hourly fees, as described below. For other permit types, this data will be tracked to inform an analysis of the cost of providing the permit or service as well as cost recovery.

This new approach will allow the City to make immediate positive adjustments in the fees collected for planning permits and services, while populating a database that tracks actual time spent on each permit or service. Second and third quarter evaluations and summary reports in 2021 will be provided to the City Council to inform a possible change in methodology for 2022.

Planning Permits and Services Fees

For many years, the City has used a deposit and hourly billing method as the basis for site development permit fees. This method accurately tracks the time needed for the permit review and inspections and applies fees accordingly. This alternative approach will now be applied to Planning services fees as well, basing the fees on the actual time required to process and provide the services.

This approach will require a fee deposit to be collected at the time of application submittal. The deposit amounts have been determined based on a projected average number of hours required for each permit or service. At the time of permit issuance (once it has been approved), TRAKiT will calculate the actual fee for a project by multiplying the total number of hours spent on the permit or service by the hourly rate. The actual fee will be compared to the fee deposit that was paid at application submittal, to determine the amount of fee either underpaid or overpaid from the deposit. If there is a balance owing by the applicant, the remaining amount will be due to the City at permit issuance. Alternatively, if the deposit was not fully expended, the applicant will receive a refund at permit issuance.

The proposed deposit for each Planning permit or service listed in the 2021 Permit Fee Schedule is based on the 2020 approved fee. Exceptions include specific cases where significant discrepancies between the 2020 approved fee and actual time required are suspected, and therefore the proposed deposit was increased measurably over the 2020 approved fee. These exceptions include fees for appeals and accessory dwelling units (ADUs).

Residential Building Valuation Factors

Building permit fees are calculated based on the estimated cost to construct the proposed project. Permit applicants provide an estimate of the project "valuation" at application submittal. The City compares this valuation with the per square foot valuation factors contained in the Valuation Table (Exhibit 1, Attachment B). When a permit applicant significantly undervalues their project, the City instead applies the appropriate valuation factor to calculate a new estimated valuation for the purposes of determining the building permit fees.

Historically, the City has used two classifications of residential building valuation factors – average and good - which refer to the quality of the construction and finishes. These residential building valuation factors have

been adjusted annually for inflation. In 2020, these classification values are approximately \$139 for average and \$177 for good.

Proposed changes to residential building valuation factors for 2021 include:

- Elimination of the “average” classification;
- Adjustment of the “good” classification to \$180;
- Addition of the “very good” classification at \$230;
- Addition of the “very good – custom” classification at \$280; and
- Addition of the “luxury – custom” classification at \$380.

In reviewing residential building valuation factors of other Eastside jurisdictions and discussing with building professionals, the City appears to be using significantly outdated information that is formally included in the Uniform Building Code. While the number of classifications utilized varies by jurisdiction, the above proposed values are representative of those being used in nearby Eastside jurisdictions.

The majority of new residential building permits are expected to be classified as “very good” or “very good – custom.” In some cases, a new residence permitted using 2020 residential building valuation factors may see up to a 50% increase in building permit fees using the 2021 proposed classifications. While this increase may seem high, the City provides a much higher level of service related to building plan reviews and inspections for residential building permits, than in other cities. For example, the 2020 building permit fee currently provides for three (3) plan review cycles and two (2) inspection cycles. There is no requirement to provide more than one (1) review cycle in each area, and many cities do enforce a limit of one or two reviews and one inspection, with additional fees being charged thereafter.

The proposed changes to residential building valuation will allow the City to align fees with current levels of service and come closer to meeting cost recovery goals for these services.

NEXT STEPS

The City Council will be asked to approve Resolution No. 1593 adopting the 2021 Permit Fee Schedule at the November 17, 2020 City Council meeting. The new fees will take effect on January 1, 2021. Staff will analyze data from Q2-Q3 2021 and report back to the City Council on the results, particularly in relation to cost recovery. Additional changes may be proposed for the 2022 Permit Fee Schedule.

RECOMMENDATION

Approve Resolution No. 1593 adopting new development and construction permit fees effective January 1, 2021.

**CITY OF MERCER ISLAND
RESOLUTION NO. 1593**

**A RESOLUTION OF THE CITY OF MERCER ISLAND, WASHINGTON
ADJUSTING DEVELOPMENT AND CONSTRUCTION PERMIT FEES
EFFECTIVE JANUARY 1, 2021 AND THEREAFTER**

WHEREAS, fees are charged for services provided by the Community Planning and Development Department for the development of land and construction of structures, which includes the review of permit applications, issuance of permits, field inspections, and related actions; and

WHEREAS, the City Council's Management and Budget Policies indicate that development and construction permit fees should be based on the actual costs of providing services; and

WHEREAS, the cost of providing such services has been tracked since 1999; and

WHEREAS, Resolution No. 1491 established that fees shall be adjusted annually, beginning January 1, 2015 and continuing each January 1 thereafter, using an annual escalator that shall be determined by the Finance Director by comparing the estimated salaries and benefits in the coming year to the actual salaries and benefits in the current year for all Development Services Group staff, excluding contract employees; and

WHEREAS, on December 3, 2019, the City Council adopted Resolution No. 1567 establishing new target cost recovery levels at 90% for Planning Services and Engineering Services and maintained the 95% target cost recovery level for Building Services; and

WHEREAS, the Community Planning and Development Department recommends the adoption of amended fees as set forth in Attachments A and C, and the amended construction valuation factors as set forth in Attachment B, which aligns with the cost recovery targets;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AS FOLLOWS:

Section 1. Annual Adjustment of Fees.

The Development and Construction Fee Schedule, Building Valuation Data Table, and Building Permit Calculation Table set forth in Section 2 of Resolution No. 1567 shall be adjusted annually where appropriate, beginning January 1, 2021, based on the estimated annual growth in personnel costs of the Community Planning and Development staff as determined by the Finance Director. The annual escalator shall be determined by comparing the estimated salaries and benefits in the coming year to the actual salaries and benefits in the current year for all Community Planning and Development staff, excluding contract employees.

Section 2. Development and Construction Permit Fee Schedule.

Consistent with the authority set forth in titles 17 and 19 of the Mercer Island City Code for the establishment and collection of development and construction fees, Attachment A to this Resolution amends the Development and Construction Fee Schedule otherwise established by Resolution No. 1567. The Development and Construction Fee Schedule is amended as reflected in Attachment A.

Consistent with the authority set forth in titles 17 and 19 of the Mercer Island City Code for the establishment and collection of development and construction fees, Attachment B to this Resolution amends the Building Valuation Data Table otherwise established by Resolution No. 1567. The Building Valuation Data Table is amended as reflected in Attachment B.

Consistent with the authority set forth in titles 17 and 19 of the Mercer Island City Code for the establishment and collection of development and construction fees, Attachment C to this Resolution amends the Building Permit Calculation Table otherwise established by Resolution No. 1567. The Building Permit Calculation Table is amended as reflected in Attachment C.

Section 3. Effective Date of Section 2.

Section 2 of this Resolution shall take effect and be in force on and after January 1, 2021. Nothing contained herein shall affect the amount of collection of rates, fees, and charges established prior to January 1, 2021.

PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AT ITS REGULAR MEETING ON THE 17TH DAY OF NOVEMBER 2020.

CITY OF MERCER ISLAND

Benson Wong, Mayor

ATTEST:

Deborah A. Estrada, City Clerk

2021 Development and Construction Fee Schedule

FEE NAME	FEE AMOUNT	
PERMIT FEES (all fees include a 3% technology fee)	2020	2021
2021 Hourly Staff Rate for all disciplines		145.23
Meetings (second meeting is 1/2 cost of first meeting)		
Pre-application Meeting - 5-hour deposit + hourly time as required	523.24	\$ 726
Intake Screening - 5-hour deposit + hourly time as required	523.24	\$ 726
LAND USE AND PLANNING FEES		
Appeals (fee refunded if appeal is granted)		
Building, Land Use, Right of Way, Code Compliance, Code Interpretation (plus actual costs of file preparation and verbatim transcripts) 10-hour deposit + hourly time as required	\$ 990.86	\$ 1,452
Critical Areas		
Critical Area Review Type 1 - 10-hour deposit + hourly time as required + actual cost of peer review	\$ 708.60	\$ 1,452
Critical Area Review Type 2 - 55-hour deposit + hourly time as required + actual cost of peer review	\$ 7,580.56	\$ 7,988
Design Review		
Design Review - Code Official - 25-hour deposit + hourly time as required	\$ 2,964.55	\$ 3,631
Design Commission Study Session - 40-hour deposit + hourly time as required	\$ 5,193.50	\$ 5,809
Additional (Optional) Design Commission Meeting	\$ 4,083.84	n/a
Design Commission Review - Exterior Alteration 95-hour deposit + hourly time as required	\$ 13,565.57	\$ 13,797
Design Commission Review - New Building - 155-hour deposit + hourly time as required	\$ 22,291.46	\$ 22,511
Deviations		
Antenna Requirements Changes - 25-hour deposit + hourly time as required	\$ 2,924.05	\$ 3,631
Changes to Open Space (hourly rate)	\$ 141.72	n/a
Critical Areas Setback (hourly rate)	\$ 141.72	n/a
Public Agency Exception - 115-hour deposit + hourly time as required + actual cost of peer review	\$ 15,654.73	\$ 16,701
Reasonable Use Exception - 115-hour deposit + hourly time as required + actual cost of peer review	\$ 15,654.73	\$ 16,701
Short Plat - Deviation of Acreage Limitation (hourly rate)	\$ 141.72	n/a
Variance - 65-hour deposit + hourly time as required	\$ 8,945.70	\$ 9,440
Wet Season Construction Approval - 10-hour deposit + hourly time as required	\$ 1,065.02	\$ 1,452
Environmental Review (SEPA)		
SEPA Review - 25-hour deposit + hourly time as required + actual cost of peer review	\$ 2,657.00	\$ 3,631
Environmental Impact Statement - 65-hour deposit + hourly time as required	\$ 141.72	\$ 29,046
Legislative		
Code Amendment - 150-hour deposit + hourly time as required	\$ 20,902.22	\$ 21,785
Comprehensive Plan Docket Application - 15-hour deposit + hourly time as required	\$ 2,156.16	\$ 2,178
Comprehensive Plan Application (If docketed) - 150-hour deposit + hourly time as required	\$ 21,561.65	\$ 21,785
Rezone - 105-hour deposit + hourly time as required	\$ 14,826.59	\$ 15,249
Other Land Use		
Accessory Dwelling Unit (ADU) - 10-hour deposit + hourly time as required	\$ 204.97	\$ 1,452
Code Interpretation Request - 25-hour deposit + hourly time as required	\$ 2,268.48	\$ 3,631
Conditional Use Permit (CUP) - 105-hour deposit + hourly time as required	\$ 7,813.87	\$ 15,249
Development Agreement (hourly)	\$ 141.72	n/a
Hearing Examiner Services - \$3,000 deposit + actual additional balance of cost	n/a	\$ 3,000
Noise Exception Type I - IV - 5-hour deposit + hourly time as required	n/a	\$ 726
Noise Exception - Type 1	\$ 2,651.22	n/a
Noise Exception - Type 2	\$ 1,077.84	n/a
Noise Exception - Type 3	\$ 815.61	n/a
Noise Exception - Type 4	\$ 2,622.30	n/a
Other Permit / Services Not Listed - 1-hour deposit + hourly time as required	\$ 141.72	\$ 145
Requests for Letter	\$ 657.50	n/a
Public Notice Sign Fee (per sign)	\$ 51.50	\$ 55
3rd+ Correction Request	\$ 1,709.31	n/a
Transportation Concurrency - 1-hour deposit + hourly time as required	\$ 129.19	\$ 145
Shoreline Management		
Shoreline Exemption - 20-hour deposit + hourly time as required	\$ 1,670.75	\$ 2,905
Shoreline Permit Revision - 20-hour deposit + hourly time as required	\$ 1,693.89	\$ 2,905
Shoreline Variance - 80-hour deposit + hourly time as required	\$ 10,591.38	\$ 11,618
Shoreline Conditional Use Permit - 80-hour deposit + hourly time as required	\$ 9,864.47	\$ 11,618
Shoreline Substantial Development Permit - 60-hour deposit + hourly time as required	\$ 4,370.17	\$ 8,714

Subdivision		
Long Plat- Preliminary - 200-hour deposit + hourly time as required + actual cost of peer review	\$ 27,241.04	\$ 29,046
Long Plat - Final - 80-hour deposit + hourly time as required	\$ 10,878.68	\$ 11,618
Long Plat - Alteration - 200-hour deposit + hourly time as required + actual cost of peer review	\$ 13,121.13	\$ 29,046
Lot Line Revision - 35-hour deposit + hourly time as required	\$ 4,570.70	\$ 5,083
Short Plat - Preliminary - 100-hour deposit + hourly time as required + actual cost of peer review	n/a	\$ 14,523
Short Plat - Two Lots, Preliminary	\$ 9,509.69	n/a
Short Plat - Three to Four Lots, Preliminary	\$ 13,890.46	n/a
Short Plat - Alteration - 100-hour deposit + hourly time as required	\$ 8,370.14	\$ 14,523
Short Plat - Final Plat - 40-hour deposit + hourly time as required	\$ 4,680.61	\$ 5,809
Wireless Communication Facilities		
New Wireless Communication Facility - 50-hour deposit + hourly time as required + actual cost of peer review	\$ 5,543.46	\$ 7,262
New Wireless Communication Facility - 6409 Exempt - 40-hour deposit + hourly time as required + actual cost of peer review	\$ 4,266.05	\$ 5,809
New Small Cell Deployment - 10-hour deposit + hourly time as required + actual cost of peer review	\$ 500.00	\$ 1,452
Height Variance - 65-hour deposit + hourly time as required + actual cost of peer review	n/a	\$ 9,440
Hourly Rates Associated with Land Use and Planning Fees		
Planning Review	\$ 141.72	n/a
Fire Review	\$ 139.05	n/a
Plat Improvement / Site Development Review and Inspection (hourly, 10 hour deposit required at application)	\$ 223.51	n/a
Fire Review Fees Associated with Land Use Applications		
Fire Review - Reasonable Use Exception (plus hourly rate if review exceeds 1 hour)	\$ 139.05	n/a
Fire Review - Design Review, Design Commission - Exterior Alteration (plus hourly rate if review exceeds 1 hour)	\$ 139.05	n/a
Fire Review - Design Review, Design Commission - New Building (plus hourly rate if review exceeds 1 hour)	\$ 139.05	n/a
Fire Review - Wireless Communications Facilities - 6409 Exemption (plus hourly rate if review exceeds 1 hour)	\$ 139.05	n/a
Fire Review - New Wireless Communications Facility (plus hourly rate if review exceeds 2 hours)	\$ 278.10	n/a
Fire Review - Shoreline Variance (plus hourly rate if review exceeds 1 hour)	\$ 139.05	n/a
Fire Review - Shoreline Conditional Use Permit (plus hourly rate if review exceeds 1 hour)	\$ 139.05	n/a
Fire Review - Preliminary Long Plat (plus hourly rate if review exceeds 2 hours)	\$ 278.10	n/a
Fire Review - Long Plat - Final Plat (plus hourly rate if review exceeds 1.5 hours)	\$ 208.58	n/a
Fire Review - Short Plat, Two Lots (plus hourly rate if review exceeds 2 hours)	\$ 278.10	n/a
Fire Review - Short Plat, Three Lots (plus hourly rate if review exceeds 2 hours)	\$ 278.10	n/a
Fire Review - Short Plat, Four Lots (plus hourly rate if review exceeds 2 hours)	\$ 278.10	n/a
Fire Review - Final Short Plat Approval (plus hourly rate if review exceeds 1 hour)	\$ 139.05	n/a
Fire Review - Variance (plus hourly rate if review exceeds 1 hour)	\$ 139.05	n/a
Fire Review - Accessory Dwelling Units (ADU) (plus hourly rate if review exceeds 1 hour)	\$ 139.05	n/a
Fire Review (hourly rate)	\$ 139.05	n/a
BUILDING PERMIT FEES		
<i>building fee calculation table goes here</i>		
Additional Review Fees		
Arborist		
Arborist review of Construction Permit	\$ 347.11	\$ 355
Building		
Building Plan Revisions (two hour minimum)	\$ 139.05	\$ 290
Energy Compliance		
State Energy Compliance - Residential New	\$ 420.24	\$ 430
State Energy Compliance - Residential Alteration	\$ 212.18	\$ 217
State Energy Compliance - Non-Residential New	\$ 700.40	\$ 1,598
State Energy Compliance - Non-Residential Alteration	\$ 212.18	\$ 217
Plan Review (not otherwise specified, hourly)	\$ 139.05	\$ 145
Engineering		
Engineering Review of Construction permit (hourly)	\$ 223.51	\$ 145
Fire Protection Review - Building Permits		
Residential Remodels & Substantial Alt Review	\$ 139.05	\$ 145
New SFR < 10,000 SF	\$ 139.05	\$ 145
New SFR > 10,000 SF	\$ 695.25	\$ 726
Non Single Family Review < 3,000 SF	\$ 139.05	\$ 145
Non Single Family Review < 5,000 SF	\$ 278.10	\$ 290
Non Single Family Review 5,000 - 50,000 SF	\$ 2,781.00	\$ 2,905
Non Single Family Review 50,000 SF +	\$ 5,562.00	\$ 5,809
Non Single Family Tenant Improvement	\$ 139.05	\$ 145
Additional Fire Protection Plan Review (hourly)	\$ 139.05	\$ 145
Fire Code Alternate	\$ 429.21	\$ 579

Geotechnical		
Single Family (plus actual cost of peer review either third party or in house)	\$ 560.32	\$ 574
Multi-Family / Commercial (plus actual cost of peer review either third party or in house)	\$ 1,120.64	\$ 1,146
Geotechnical Peer Review - in house hourly rate	\$ 139.05	\$ 145
Inspections		
Inspections (not otherwise specified, hourly)	\$ 139.05	\$ 145
Other Building Related Fees		
Building Appeal	\$ 990.86	\$ 1,014
Impact Fee Deferral Review (School, Park, Transportation)	\$ 50.00	\$ 73
Stop Work Fee	Double the Building permit fee	
Special Foundations / Shoring		
Single Family	\$ 839.45	\$ 859
Multi-family/Commercial	\$ 1,260.72	\$ 1,290
CIVIL ENGINEERING, FIRE PROTECTION, INSPECTION, RIGHT-OF-WAY & TREE FEES		
Engineering Review and Inspection		
Engineering Review (hourly)	\$ 223.51	\$ 145
Storm Drainage Review and Inspection hourly rate (2 hour minimum)	\$ 223.51	\$ 145
Plat Improvement/Site Development Review and Inspection (hourly, 10 hour deposit required at application)	\$ 223.51	\$ 145
Fire Protection Permits		
Access Gate (combo permit - includes low voltage electrical inspection fee)	\$ 237.57	\$ 319
Commercial Solar Photovoltaic Power Systems 105.7.13	\$ -	\$ 461
Emergency Responder Radio Coverage 105.7.5	\$ -	\$ 607
Fire Alarm Commercial: NFPA 72 Low Voltage System (combo permit - includes one hour of electrical inspection)	\$ 1,418.98	\$ 1,556
Fire Alarm Communicator - AES Radio Transmitter (combo permit - includes low voltage electrical inspection fee)	\$ 237.57	\$ 319
Fire Alarm Residential: NFPA 72 Low Voltage System (combo permit -includes low voltage electrical inspection fee)	\$ 376.62	\$ 464
Fire Alarm Tenant Improvement: Low Voltage Fire Alarm System (combo permit - includes low voltage electrical inspection fee)	\$ 723.73	\$ 827
Fire Alarm Tenant Improvement Residential or Commercial, less than 5 devices: Low Voltage Fire Alarm System (combo permit - includes low voltage electrical inspection fee)	\$ -	\$ 392
Fire Code Alternate	\$ 429.21	\$ 579
Fire Hydrant	\$ 556.20	\$ 607
Fire Pump (combo permit - includes low voltage electrical inspection fee)	\$ 723.73	\$ 898
Fire Sprinkler Commercial: NFPA 13 - Per Riser	\$ 1,251.45	\$ 1,622
Fire Sprinkler System 13D Tank and Pump	\$ -	\$ 900
Fire Sprinkler Residential (includes backflow inspection fee)	\$ 730.27	\$ 827
Fire Sprinkler TI OTC- Under 25 Heads	\$ 278.10	\$ 363
Fire Sprinkler TI - Commercial and Residential Over 25 heads	\$ 556.20	\$ 654
Fuel Tanks	\$ 173.04	\$ 177
Hazardous Materials 105.7.9	\$ -	\$ 406
Industrial Ovens 105.7.10	\$ -	\$ 457
Kitchen Hood - Extinguishing System (combo permit - includes low voltage electrical inspection fee)	\$ 445.63	\$ 537
LP Gas Construction Permit	\$ 278.10	\$ 362
Operational Permits (hourly)	\$ 139.05	\$ 145
Smoke Control Systems 105.7.14	\$ -	\$ 720
Special Fire Extinguishing System (combo permit - includes low voltage electrical inspection fee)	\$ 723.73	\$ 827
Standpipe Commercial	\$ 1,807.65	\$ 1,525
Underground Fire Main - NFPA 24 Sprinkler Supply Line	\$ 695.25	\$ 1,380
Wood/Pellet Stove	\$ 419.21	\$ 428
Fire Protection Plan Review and Inspection (hourly)	\$ 139.05	\$ 145
Grading and Land Clearing Permits		
Land Clearing	\$ 173.04	\$ 177
Grading: 50-100 c.y.	\$ 232.78	\$ 238
Grading: 101-1,000 c.y.	\$ 329.60	\$ 337
Grading: 1,001-5,000 c.y.	\$ 430.54	\$ 441
Grading: 5,001-10,000 c.y.	\$ 567.53	\$ 581
Grading:10,000+ c.y.	\$ 701.43	\$ 718
Additional Review / Inspections (hourly rate)	\$ 139.05	\$ 145
Inspection Fees		
Inspections Outside Normal Business Hours (hourly, min 2 hour charge)	\$ 139.05	\$ 436
Re-Inspection (Assessed Under Provisions of Section 305.8) (hourly)	\$ 139.05	\$ 145
Partial Inspections	\$ 71.07	\$ 73
Limited Inspection Permits		

Demolition - Single Family	\$	349.17	\$	357
Demolition - Non Single Family	\$	609.76	\$	624
Demolition - Soft/ Partial	\$	174.12	\$	178
Plan Review and Inspections (not otherwise specified, hourly)	\$	139.05	\$	145
Re-Roofing of Single Family Residences (except with same roofing system or masonry tile**)	\$	173.04	\$	177
Right of Way Use				
Right of Way Encroachment Agreement (also requires separate ROW Use Permit) + hourly rate if review/ inspection exceeds 4.5 hours	\$	625.73	\$	640
Miscellaneous ROW Use + hourly rate if review/ inspection exceeds 1 hours	\$	208.58	\$	213
Type A - Underground Improvements in Unpaved Area + hourly rate if review/ inspection exceeds 2 hours	\$	278.10	\$	284
Type B - Surface Improvements + hourly rate if review/ inspection exceeds 3 hours	\$	417.15	\$	426
Type C - Underground Improvements in Paved Area + hourly rate if review/ inspection exceeds 4.5 hours	\$	625.73	\$	640
Plan Review and Inspections (not otherwise specified, hourly)	\$	139.05	\$	145
Side Sewer				
Side Sewer Revision/Modification/Repair	\$	278.10	\$	284
Side Sewer Disconnect	\$	278.10	\$	284
Side Sewer Connection	\$	278.10	\$	284
Side Sewer Stub Out to Property Line Only	n/a		\$	284
Additional Review / Inspections (hourly rate)	\$	139.05	\$	145
Temporary Cert. of Occupancy				
Single Family (plus hourly rate over 4hrs)	\$	560.32	\$	574
Multi-family/Commercial (plus hourly rate over 36hrs)	\$	5,038.76	\$	5,155
Additional Review / Inspections (hourly rate)	\$	139.05	\$	145
Tree Removal				
Single Family: 1 - 3 trees	\$	173.04	\$	177
Single Family: 4 -10 trees	\$	434.66	\$	445
Single Family: More than 10 trees	\$	1,215.40	\$	1,243
Non Single Family	\$	1,215.40	\$	1,243
Non-Development Tree Removal outside a Critical Area (plus hourly rate if over 1 hour)	\$	-	\$	145
Non-Development Tree Removal within a Critical Area 1-3 Trees (plus hourly rate if over 3 hour)	\$	-	\$	436
Non-Development Tree Removal within a Critical Area 4-10 Trees (plus hourly rate if over 4 hour)	\$	-	\$	581
Non-Development Tree Removal within a Critical Area More than 10 Trees (plus hourly rate if over 4 hour)	\$	-	\$	581
Right of Way Tree Pruning	n/a		\$	218
Tree Protection Only	n/a		\$	177
Additional Review / Inspections (hourly rate)	\$	139.05	\$	145
Water Service				
Water Service Order (Permit Processing Fee Only). Water Connection charges and Water Service Installation charges are not included.	\$	646.84	\$	1,307
Water Meter Setter / Service Line Only	n/a		\$	1,307
Water Service Abandonment	n/a		\$	436
ELECTRICAL, MECHANICAL & PLUMBING PERMITS				
Plumbing, Electrical and Mechanical permits will be charged the following minimum fees, unless the issuance, plan review and unit fees exceed the minimum fee. When the minimum fee is exceeded, the permit will be charged based on the sum of the applicable issuance, plan review and unit fees.				
A 3% technology fee is included with each of the fees below.				
Minimum Permit Fees				
Residential Minimum Permit Fee		\$173.04	\$	177
Minimum Permit Fee Exceptions				
Temporary Power Service		\$96.82	\$	99
Water Heater Exchange (no new gas piping)		\$96.82	\$	99
Water Supply Piping		\$96.82	\$	99
Repair of existing plumbing, water service, gas piping		\$96.82	\$	99
Forced Air Exchange - same type		\$96.82	\$	99
Decommission Backflow Device		\$96.82	\$	99
Electrical Permit Fees				
Permit Issuance				
Minimum Permit Fee		\$173.04	\$	177
Permit Issuance Fee		\$38.11	\$	39
Supplemental Permit Issuance Fee		\$25.75	\$	27
Electrical Plan Review (hourly)		\$139.05	\$	145
Electrical Unit Fees - as Listed Below				
Busways				

For trolley and plug-in type busways	\$11.44	\$	12
Carnivals and Circuses			
For electrical generators and electrically driven motors	\$36.76		\$38
For mechanical driven rides and walk-through attractions	\$11.44		\$12
For a system of area and booth lighting	\$11.44		\$12
Lighting Fixtures			
First 20 fixtures, each	\$1.70		\$2
Additional fixtures, each	\$1.09		\$1
For pole or platform-mounted lighting fixtures	\$1.70		\$2
For theatrical-type lighting fixtures	\$1.70		\$2
Miscellaneous Apparatus, Conduits and Conductors			
For electrical apparatus, conduits and conductors for which a permit is required but for which no fee is herein set	\$28.48		\$29
New Residential Buildings (Wiring)			
Multifamily	\$0.12		\$0.13
Single and two-family	\$0.12		\$0.13
Non-residential	\$0.12		\$0.13
Non-Residential appliances			
For non-residential appliances and self-contained factory-wired non-residential appliances	\$7.42		\$8
Power Apparatus			
Up to and including 1.....	\$7.42		\$8
Over 1 and not over 10, each	\$19.23		\$20
Over 10 and not over 50, each	\$38.46		\$39
Over 50 and not over 100, each	\$77.39		\$79
Over 100....	\$116.38		\$119
Private Swimming Pools			
New private, in-ground swimming pools	\$77.39		\$79
Receptacle, Switch and Light Outlets			
First 20 fixtures, each	\$1.70		\$2
Additional fixtures, each	\$1.09		\$1
Residential appliances			
For fixed residential appliances	\$7.42		\$8
Services			
For services of 600 volts and not over 200 amperes	\$47.60		\$49
For services of 600 volts and over 200 amperes to 1,000 amperes	\$97.14		\$99
For services over 600 volts or over 1,000 amperes in rating	\$194.42		\$199
Upgrade Panel 50 400 amp or less (per panel)	\$173.69		\$178
Low Voltage Electric	\$28.48		\$29
Signs, Outline Lighting and Marquees			
Supplied from one branch circuit	\$38.47		\$39
For additional branch circuits, each	\$7.42		\$8
Temporary Power Service			
Temporary Power Service	\$35.69		\$37
Mechanical Permit Fees			
Permit Issuance			
Minimum Permit Fee	\$173.04		\$177
For issuing each permit	\$38.11		\$39
For issuing each supplemental permit	\$25.54		\$27
Mechanical Plan Review (hourly)	\$139.05		\$145
Mechanical Unit Fees - as Listed Below			
Air Handlers			
For each air-handling unit to and including 10,000 cubic feet per minute (cfm), including ducts attached thereto	\$16.68		\$17
For each air-handling unit over 10,000 cfm	\$28.37		\$29
Appliance Vents			
For installation, relocation or replacement of each appliance vent installed and not included in appliance permit	\$10.67		\$11
Boilers, Compressors and Absorption Systems			

For the installation or relocation of each boiler or compressor to and including 3 horsepower, or each absorption system to and including 100,000 Btu/h	\$23.14	\$24
For the installation or relocation of each boiler or compressor over 3 horsepower to and including 15 horsepower, or each absorption system over 100,000 Btu/h to and including 500,000 Btu/h	\$42.48	\$43
For the installation or relocation of each boiler or compressor over 15 horsepower to and including 30 horsepower, or each absorption system to over 500,000 Btu/h to and including 1,000,000 Btu/h	\$58.19	\$60
For the installation or relocation of each boiler or compressor over 30 horsepower to and including 50 horsepower, or each absorption system to over 1,000,000 Btu/h to and including 1,750,000 Btu/h	\$86.67	\$89
For the installation or relocation of each boiler or compressor over 15 horsepower to and including 50 horsepower, or each absorption system to over 1,750,000.	\$144.86	\$148
Evaporation Coolers		
For each evaporative cooler other than portable type	\$16.68	\$17
Furnaces		
For installation or relocation of each forced-air or gravity type furnace or burner, including ducts and vents attached to such appliance up to and including 100,000 Btu/h	\$23.14	\$24
For installation or relocation of each forced-air or gravity type furnace or burner, including ducts and vents attached to such appliance over 100,000 Btu/h	\$28.48	\$29
For installation or location of each floor furnace, including vent	\$23.14	\$24
For installation or relocation of each suspended heater, recessed wall heater or floor-mounted unit heater	\$23.14	\$24
Miscellaneous		
For each appliance or piece of equipment regulated by the International Mechanical Code but not classed in other appliance categories, or for which no other fee is listed in the table	\$16.68	\$17
Exchange of Existing HVAC System for Single Family Residences (includes thermostat)	\$96.49	\$99
Repairs or Additions		
For the repair of, alteration of, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or each heating, cooling, absorption or evaporative cooling system.	\$19.98	\$20
Ventilation and Exhaust		
For each ventilation fan connected to a single duct	\$11.44	\$39
For each ventilation system which is not a portion of any heating or air-conditioning system authorized by a permit	\$16.68	\$39
For the installation of each hood which is served by mechanical exhaust, including the ducts for such hood	\$16.68	\$39
Plumbing Permits		
Permit Issuance		
Minimum Permit Fee	\$173.04	\$177
For issuing each permit	\$38.11	\$39
For issuing each supplemental permit	\$25.75	\$27
Plumbing Plan Review (hourly)	\$139.05	\$145
Plumbing Unit Fees - as Listed Below		
Fixtures & Vents		
Each plumbing fixture or trap or set of fixtures	\$15.34	\$16
For repair or alteration of drainage or vent piping, each fixture	\$7.42	\$8
Gas Piping		
For each gas piping system	\$9.63	\$10
For each additional outlet over five	\$1.59	\$2
Lawn Sprinklers, Vacuum Breakers & Backflow		
Backflow Prevention Inspection (Fire and Irrigation)	\$173.04	\$177
For each lawn sprinkler system	\$23.14	\$24
For atmospheric-type vacuum breakers or backflow protection devices 1 - 5	\$19.23	\$20
Over 5 devices	\$3.53	\$4
For each backflow protection device other than atmospheric type vacuum breakers, 2 inches and smaller	\$19.23	\$20
Over 2 inches	\$37.04	\$38
Miscellaneous		
For each appliance or piece of equipment not regulated by the Uniform Plumbing Code not listed in this table	\$15.34	\$16
Sewers, Disposal Systems Interceptors		
For each building sewer	\$35.99	\$37
For each cesspool	\$58.19	\$60
For each private sewage disposal system	\$116.38	\$119
For each industrial waste pretreatment interceptor	\$31.16	\$32
Rainwater systems - per drain	\$15.21	\$16
Swimming Pools		
Public pool, each	\$142.67	\$146

Attachment A

Item 11.

Public spa, each	\$94.95	\$97
Private pool, each	\$94.95	\$97
Private spa, each	\$47.35	\$48
Water Piping and Water Heaters		
For installation, alteration or repair of water piping or water treating equipment	\$7.42	\$8
For each water heater	\$19.23	\$20



Mercer Island Building Valuation Data Table

The unit costs below are intended to provide guidance in determining project valuations as set forth in Mercer Island City Code Chapter 17.14.010, Section 109.4 and shall include architectural, structural, electrical, plumbing, and mechanical work, except as specifically listed below. The unit costs also include the contractor's profit, which should not be omitted.

Project valuations provided by the permit applicant will be validated against this table. To use this table to calculate the valuation for residential construction, multiply the cost per square foot for dwellings (Item 8) by the floor area. Include private garages (Item 17) and porches (Item 7). If air conditioning or fire sprinkler systems (Equipment) will be installed, include the valuation for these systems.

Occupancy & Type / Building Valuation per Square Foot

*Add 0.5% to total cost for each story over three. **Deduct 20 % for shell-only buildings. ***Deduct 11% for mini-warehouses

1. APARTMENT HOUSES:

Type I or II F.R.*	\$137.72
(Good)	\$169.63
Type V—Masonry (or Type III)	\$112.33
(Good)	\$137.72
Type V—Wood Frame	\$99.03
(Good)	\$127.32
Type I—Basement Garage	\$58.16

2. AUDITORIUMS:

Type I or II F.R.	\$162.75
Type II—1-Hour	\$117.89
Type II—N	\$111.48
Type III—1-Hour	\$123.81
Type III—N	\$117.65
Type V—1-Hour	\$118.37
Type V—N	\$110.64

3. BANKS:

Type I or II F.R.*	\$229.97
Type II—1-Hour	\$169.52
Type II—N	\$163.96
Type III—1-Hour	\$187.05
Type III—N	\$180.27
Type V—1-Hour	\$169.52
Type V—N	\$162.26

4. BOWLING ALLEYS:

Type II—1-Hour	\$79.31
Type II—N	\$73.88
Type III—1-Hour	\$86.21
Type III—N	\$80.53
Type V—1-Hour	\$58.16

5. CHURCHES:

Type I or II F.R.	\$154.04
Type II—1-Hour	\$115.71
Type II—N	\$109.91
Type III—1-Hour	\$125.87
Type III—N	\$120.18
Type V—1-Hour	\$117.65
Type V—N	\$110.64

6. CONVALESCENT HOSPITALS:

Type I or II F.R.*	\$216.19
Type II—1-Hour	\$149.93

Type III—1-Hour	\$153.67
Type V—1-Hour	\$144.97

7. DECKS AND PORCHES:

Decks and Porches	\$37.73
-------------------	---------

8. DWELLINGS:

Type V—Masonry	
(Good)	\$180.00
(Very Good)	\$230.00
(Very Good - Custom)	\$280.00
(Luxury - Custom)	\$380.00
Type V—Wood Frame	
(Good)	\$180.00
(Very Good)	\$230.00
(Very Good - Custom)	\$280.00
(Luxury - Custom)	\$380.00
Basements—Semi-Finished	
(Average)	\$31.19
(Good)	\$36.03
Unfinished	
(Average)	\$22.61
(Good)	\$27.57

9. FIRE STATIONS:

Type I or II F.R.	\$177.61
Type II—1-Hour	\$116.80
Type II—N	\$110.27
Type III—1-Hour	\$127.93
Type III—N	\$122.48
Type V—1-Hour	\$120.06
Type V—N	\$113.78

10. HOMES FOR THE ELDERLY:

Type I or II F.R.	\$161.05
Type II—1-Hour	\$130.71
Type II—N	\$125.14
Type III—1-Hour	\$136.14
Type III—N	\$130.59
Type V—1-Hour	\$131.44
Type V—N	\$126.95

11. HOSPITALS:

Type I or II F.R.*	\$253.43
Type III—1-Hour	\$209.66
Type V—1-Hour	\$200.11

Mercer Island Building Valuation Data Table – CONTINUED

Item 11.

12. HOTELS AND MOTELS:

Type I or II F.R.*	\$156.83
Type III—1-Hour	\$135.78
Type III—N	\$129.49
Type V—1-Hour	\$118.25
Type V—N	\$115.96

13. INDUSTRIAL PLANTS:

Type I or II F.R.	\$88.39
Type II—1-Hour	\$61.54
Type II—N	\$56.47
Type III—1-Hour	\$67.71
Type III—N	\$63.85
Tilt-up	\$46.55
Type V—1-Hour	\$63.85
Type V—N	\$58.40

14. JAILS:

Type I or II F.R.	\$247.02
Type III—1-Hour	\$225.86
Type V—1-Hour	\$169.52

15. LIBRARIES:

Type I or II F.R.	\$180.76
Type II—1-Hour	\$132.27
Type II—N	\$125.87
Type III—1-Hour	\$139.65
Type III—N	\$132.64
Type V—1-Hour	\$131.19
Type V—N	\$125.87

16. MEDICAL OFFICES:

Type I or II F.R.*	\$185.60
Type II—1-Hour	\$143.04
Type II—N	\$136.03
Type III—1-Hour	\$155.25
Type III—N	\$144.49
Type V—1-Hour	\$140.02
Type V—N	\$135.18

17. OFFICES:**

Type I or II F.R.*	\$165.89
Type II—1-Hour	\$111.00
Type II—N	\$105.68
Type III—1-Hour	\$119.70
Type III—N	\$114.63
Type V—1-Hour	\$112.20
Type V—N	\$105.68

18. PRIVATE GARAGES:

Wood Frame	\$37.73
Masonry	\$42.44
Open Carports	\$25.75

19. PUBLIC BUILDINGS:

Type I or II F.R.*	\$191.64
Type II—1-Hour	\$155.25
Type II—N	\$148.48
Type III—1-Hour	\$161.17
Type III—N	\$155.61
Type V—1-Hour	\$147.39
Type V—N	\$142.31

20. PUBLIC GARAGES:

Type I or II F.R.*	\$75.93
Type I or II Open Parking*	\$56.95
Type II—N	\$43.41
Type III—1-Hour	\$57.31
Type III—N	\$51.15
Type V—1-Hour	\$52.36

21. RESTAURANTS:

Type III—1-Hour	\$151.14
Type III—N	\$146.18
Type V—1-Hour	\$138.44
Type V—N	\$133.12

22. SCHOOLS:

Type I or II F.R.	\$172.66
Type II—1-Hour	\$117.89
Type III—1-Hour	\$126.11
Type III—N	\$121.28
Type V—1-Hour	\$118.13
Type V—N	\$112.69

23. SERVICE STATIONS:

Type II—N	\$104.35
Type III—1-Hour	\$108.82
Type V—1-Hour	\$92.73
Canopies	\$43.41

24. STORES:

Type I or II F.R.*	\$127.93
Type II—1-Hour	\$78.23
Type II—N	\$76.65
Type III—1-Hour	\$95.04
Type III—N	\$89.24
Type V—1-Hour	\$80.16
Type V—N	\$73.99

25. THEATERS:

Type I or II F.R.	\$170.48
Type III—1-Hour	\$124.17
Type III—N	\$118.25
Type V—1-Hour	\$116.80
Type V—N	\$110.64

26. WAREHOUSES*:**

Type I or II F.R.	\$76.78
Type II or V—1-Hour	\$45.46
Type II or V—N	\$42.56
Type III—1-Hour	\$51.51
Type III—N	\$49.09

EQUIPMENT**AIR CONDITIONING:**

Commercial.....	\$6.53
Residential	\$5.57

SPRINKLER SYSTEMS.....\$3.99

This fee schedule is intended for informational use only and cannot be used as a substitute for the Mercer Island City Code. To obtain additional information about fees that may apply to your project, please call Community Planning and Development at 206-275-7605 between 8:30 a.m. – 5 p.m. Monday through Friday.

Updated: 11/12/2020

Construction Permit Fee Calculation Table

The Building Permit Fee is based on the Project Valuation as set forth in the table below.

The Plan Check Fee is 70% of the Building Permit Fee.*

The "Combination Permit" Fee for Mechanical, Electrical and Plumbing Inspection is 31% of the Building Permit Fee.

Project Valuation	Building Permit Fee (Final fee calculations rounded to the nearest cent)
\$1 - \$500.99	\$32.23
\$501 - \$2000.99	\$33.57 for the first \$500 plus \$3.95 for each additional \$100
\$2,001 - \$25,000.99	\$95.60 for the first \$2,000 plus \$18.69 for each additional \$1,000
\$25,001 - \$50,000.99	\$540.55 for the first \$25,000 plus \$13.57 for each additional \$1,000
\$50,001 - \$100,000.99	\$877.79 for the first \$50,000 plus \$9.39 for each additional \$1,000
\$100,001 - \$500,000.99	\$1371.39 for the first \$100,000 plus \$7.52 for each additional \$1,000
\$500,001 - \$1,000,000.99	\$4462.38 for the first \$500,000 plus \$6.27 for each additional \$1,000
\$1,000,001 - \$999,999,999.99	\$7740.19 for the first \$1,000,000 plus \$4.91 for each additional \$1,000

*This chart is used only to calculate the Building Permit, Plan Check, and Combination Permit portions of the overall fees required to issue a permit. Additional plan review and permit fees may apply.

City of Mercer Island

Development Fee Study

FINAL DRAFT REPORT
November 2018

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FCS GROUP
Solutions-Oriented Consulting

November 15, 2018

Evan Maxim
Planning Manager
City of Mercer Island
9611 SE 36th Street
Mercer Island, WA 98040

Subject: Development Fee Study

Dear Mr. Maxim:

Attached is our final report on the results of our Development Fee Study. We want to thank you and all the staff from Development Services for their assistance and participation in helping us gather information and in discussing the various issues. If you have any questions, please feel free to contact me at (425) 867-1802 extension 228.

Yours very truly,



Peter Moy
Principal



Matt Hobson
Project Consultant

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CHAPTER I: INTRODUCTION

The City of Mercer Island’s Development Services Group (DSG or Department) initiated a cost of service study for its Building Plan Review and Inspection services (Building), Land Use Planning services, and Development Engineering services as well as a fee study for its Land Use Planning services. The Department engaged FCS GROUP to perform the cost of service and fee study. The cost of service and fee study identifies the labor and non-labor resources, establishes the full cost of service for development fee related activities provided by the Department, determines the City’s cost recovery rate, and establishes a framework for cost recovery recommendations related to its development permitting functions.

The approach used to conduct the study involved the following:

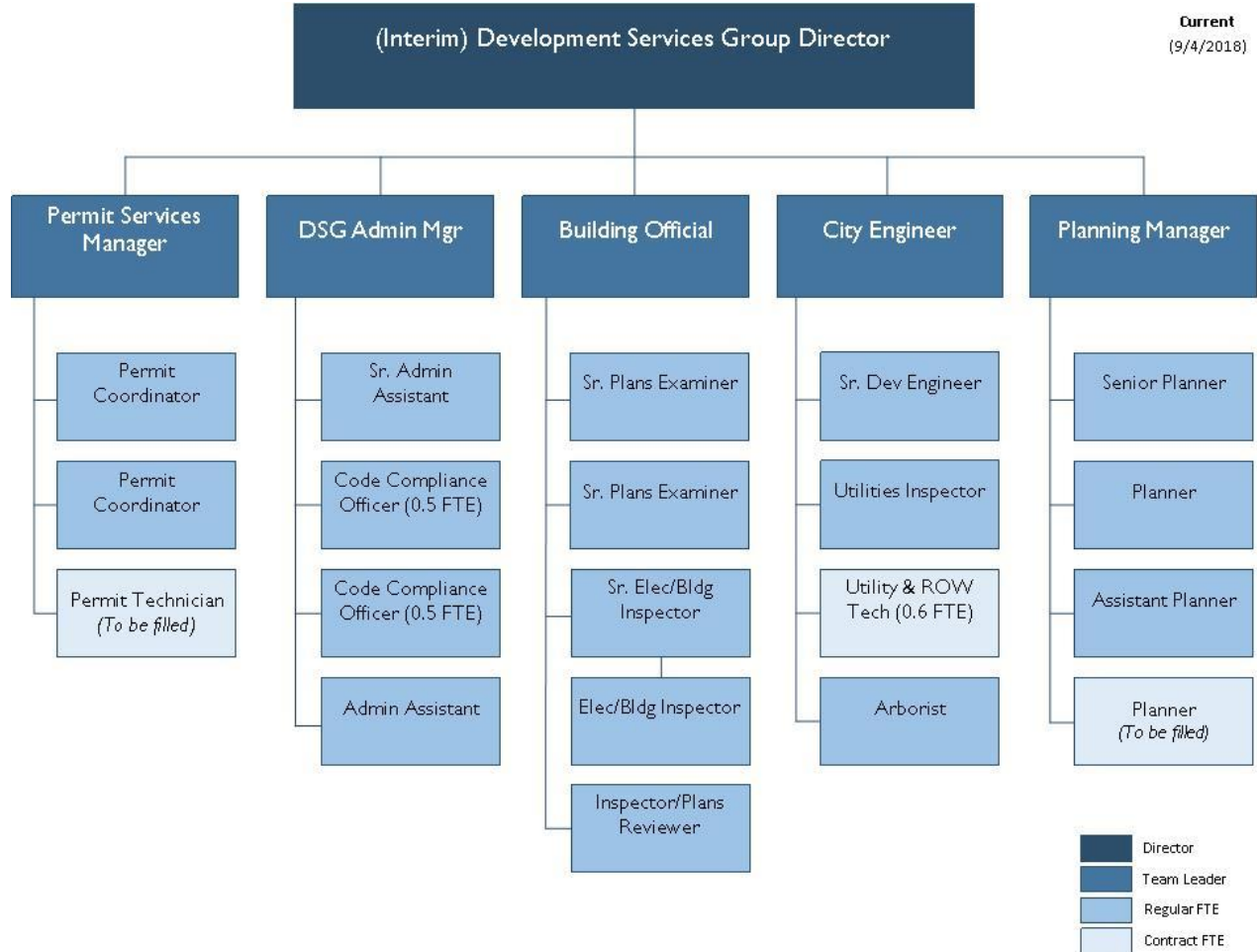
- Working with the DSG management and staff who are involved with fee and non-fee related services for Land Use Planning services,
- Analyzing 2017 financial documentation and data associated with development related services and fees,
- Working with DSG staff to analyze the existing Land Use Planning fees and to estimate the direct labor time needed to provide each fee service,
- Having DSG management and staff review the cost of service and cost recovery for each Land Use Planning service fee,
- Reviewing with DSG management and staff the direct and indirect labor estimates, non-labor and overhead cost allocation results, the cost of service analysis, and the cost recovery results for building, planning, and engineering fee services,
- Presenting the cost of service analysis and cost recovery results to the City Council.

The process used for collecting and analyzing the data required active participation by City staff. We want to take the opportunity to recognize the time, participation, and effort that all DSG staff devoted to the study and for scheduling and organizing the meetings.

DEVELOPMENT SERVICES GROUP BACKGROUND

The Department provides permitting services for building, land use, and private development. In addition to these services, DSG also provides long-term planning, code enforcement, and management of the City’s capital improvement projects. According to the 2017-2018 Adopted Budget, the Department includes 20.00 regular FTEs and 3.50 contracted temporary FTEs. Exhibit 1 details the organizational structure of the Department as of September 2018.

Exhibit 1
2018 Development Services Group Organization Chart



The Department’s services are supported by permit fees and other City funds. The Department’s 2017 estimated expenditures and 2018 budgeted expenditures are summarized below in Exhibit 2.

Exhibit 2
Development Services Group Expenditures, 2017 Estimate and 2018 Budget

Division	2017 Estimate	2018 Budget
Administration (DS 1100)	\$1,194,116	\$1,329,419
Building Plan Review & Inspection (DS 1200)	878,340	869,845
Land Use Planning Services (DS 1300)	633,798	743,209
Development Engineering (DS 1400)	404,792	387,098
Arborist (DS 1700)	87,456	142,347
Utility Inspections (DS 4501, 4502, 4503, 4504)*	128,917	130,838
Total	\$3,327,419	\$3,602,756

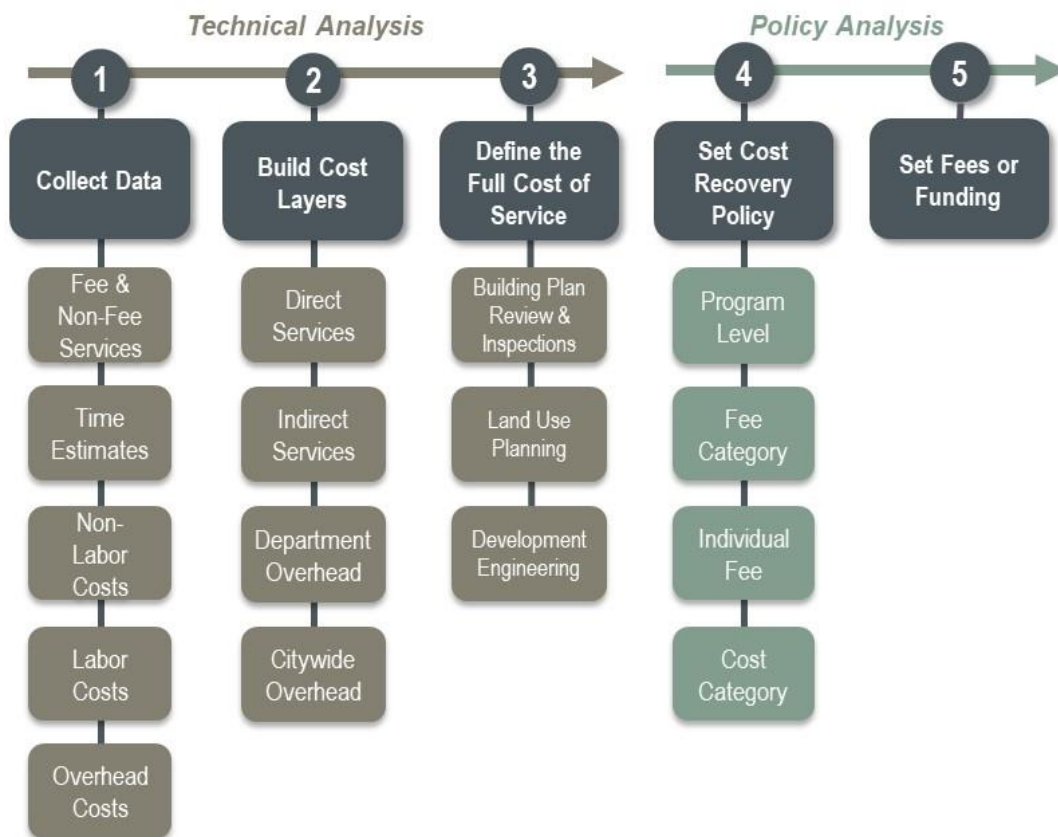
*Utility inspection expenditures are funded through the City’s water, sewer, street, and stormwater funds and are not recovered by permit fees.

CHAPTER II: COST OF SERVICE

METHODOLOGY

To determine the cost of service and the appropriate fees, a defined task plan was followed as outlined below in Exhibit 3. The methodology identifies both the labor and non-labor resources that are required to perform the services and activities and analyzes the cost of service for each of the fee and non-fee services performed by the City’s staff. The analysis provides the City’s elected officials, management, and DSG staff the opportunity to identify the cost basis for its services and fees.

Exhibit 3
Cost of Service and Fee Methodology



Step 1: Collect Data – The data collection phase is the critical step that establishes the parameters of the cost of service and fee analyses. The first part of the data collection process involved reviewing the Planning fee schedule to determine what fees and services should be included in the study.

Individual fees related to the Department’s Building and Development Engineering programs were not analyzed in this study.

Based on the fee schedules and discussions with staff, Exhibits 4, 5, and 6 show the list of the individual current and new planning fee services included in the study. In total, DSG staff identified 78 planning fees to review in the study: 63 current fees and 15 new fees.

Exhibit 4
Existing Land Use Planning Fees Included in Study

- Appeals - Land Use
- Appeals - Code Interpretation
- Critical Areas - Determination
- Critical Areas - Reasonable Use Exception
- Design Review - Design Commission Study Session
- Wireless Communication Facilities - Wireless Communication Facilities-6409 Exemption
- Wireless Communication Facilities - New Wireless Communications Facility
- Deviations - Changes to Antenna Requirements
- SEPA Review (Checklist) - Major
- Shoreline Management - Exemption
- Shoreline Management - Permit Revision
- Shoreline Management - Substantial Development Permit
- Subdivision Preliminary Long Plat - Long Plat
- Subdivision Long Plat - Subdivision Alteration to Existing Plat
- Subdivision Long Plat - Final Subdivision Review
- Preliminary Subdivision Short Plat
- Subdivision Short Plat - Three Lots
- Subdivision Short Plat - Four Lots
- Subdivision Short Plat - Short Plat Alteration
- Subdivision Short Plat - Final Short Plat Approval
- Variances (Plus Hearing Examiners Fee)
- Other Land Use - Accessory Dwelling Units (ADU)
- Other Land Use - Code Interpretation Request
- Other Land Use - Comprehensive Plan Amendment (CPA)-Application
- Other Land Use - Conditional Use (CUP)
- Other Land Use - Lot Line Revision
- Other Land Use - Noise Exception - Type 1
- Other Land Use - Noise Exception - Type 2
- Other Land Use - Noise Exception - Type 3
- Other Land Use - Reclassification of Property (Rezoning)
- Other Land Use - Zoning Code Text Amendment
- Pre-Application Meeting
- SEPA Review (Checklist) – Minor
- Deviations - Changes to Open Space
- Deviations - Critical Areas Setback
- Deviations - Shoreline
- Environmental Review (SEPA) - Environmental Impact Statement or Revision
- Subdivision Long Plat - Fire Review
- Subdivision Short Plat - Deviation of Acreage Limitation

- Other Land Use - Code Interpretation Request (after first six hours)

Through the review process, DSG staff also identified a list of current planning fees to consolidate, delete, or retain at the current fee level. A cost of service analysis was not completed for these fee services. Exhibit 5 details current fees that were deleted as a result of the study.

Exhibit 5

Existing Land Use Planning Fees Deleted, Consolidated, or Retained at Current Fee Level

- Appeals – Building (consolidated with other appeals)
- Design Review - Administrative Review Other Than Signs and Colors
- Design Review - Administrative Review of Development Signs
- Design Review - Change to Final Design Approval
- Design Review - Design Review - Major, \$0 to \$5,000
- Design Review - Design Review - Major, \$5,001 - \$25,000
- Design Review - Design Review - Major, \$25,001 - \$50,000
- Design Review - Design Review - Major, \$50,001 - \$100,000
- Design Review - Design Review - Major, \$100,001+
- Design Review - Design Review - Minor, \$0 to \$5,000
- Design Review - Design Review - Minor, \$5,001 - \$25,000
- Design Review - Design Review - Minor, \$25,001 - \$50,000
- Design Review - Design Review - Minor, \$50,001 - \$100,000
- Design Review - Design Review - Minor, \$100,001+
- Deviations – Wet Season Construction Moratorium (retained at current fee level)
- Environmental Review (SEPA) - Environmental Impact Statement Revision
- Shoreline – Semi-Private Recreation Tract – Modification
- Shoreline – Semi-Private Recreation Tract – New
- Subdivision Short Plat - Fire Review (per hour)
- Other Land Use – Addition Fee if added to Final Docket (retained at current fee level)
- Other Land Use – Lot Consolidation
- Other Land Use - Right of Way Encroachment Agreement (transferred to Development Engineering program)
- Other Land Use – Sign Fee (retained at current fee level)

DSG staff also identified new planning fees to include in the study. Exhibit 6 details the list of new fees.

Exhibit 6

New Planning Fees Included in Study

- Pre-Design Meeting
- Requests for Letter
- Hourly Fee for Planning Work Not Covered by a Permit
- Additional Design Review Meeting
- Business License Review
- Appeals - ROW
- Shoreline - Variance
- Shoreline - Conditional Use
- Noise Exception - Type 4
- 3rd+ Correction Request

- Design Review (Code Official)
- Design Review (Design Commission - Exterior Alterations)
- Design Review (Design Commission - New Building)
- Impact Fee Deferral
- Transportation Concurrency

With the fee services identified, the data collection effort focused on collecting budget and time data from all staff involved in the services and activities. The Department provided two sets of timekeeping records for each staff member in 2017. The first data set included work hours, leave hours, and total paid hours for each employee. The second data set provided detailed work hours by activity for each employee. These two data sets were used as the basis for establishing the total number of annual work hours available and the distribution of work hours by activity. Each work activity was then categorized into the following broad categories.

Direct Services – Services provided as the result of a project, permit application, or specific related activity and that are often tied to a specific fee (e.g. plan review). Also, services provided directly for or to the public that are not fee-related (e.g., code enforcement and long-term planning). Appendix A details the distribution of direct service work hours in 2017 for each program by fee and non-fee activities.

Indirect Services – Services provided to support direct services (e.g. customer service, administrative duties) and that cannot be assigned to a specific project, application, activity, or request.

The Department reviewed the work activities in 2017 and the following activities were assigned as indirect services. These services are described as follows:

- Customer Service – Time spent assisting customers and the public with information and questions about fee services.
- Administrative Duties – Time spent on general office tasks, such as division management, supervision, internal meetings/calls/e-mails, filing, and other miscellaneous activities.
- EGov and MBP – Time spent managing electronic permits and permit status (e.g., permit applications, inspection scheduling)

Based on Department feedback, a portion of the indirect administrative activities of Building staff supports the Land Use Planning and Development Engineering programs. As a result, 90 percent of the time spent by Building staff for indirect administrative activities was allocated to the Building Program with the remaining 10 percent of time split evenly between the Land Use Planning and Development Engineering programs. Similarly, indirect administrative time for the Department's customer service team was allocated to the Building (60%), Land Use Planning (25%), and Development Engineering (15%) programs. All of the indirect administrative time for Land Use Planning and Development Engineering staff were directly assigned to their respective programs.

Because the staff perform both fee and non-fee services, hours and costs for the indirect services (e.g. customer service) were allocated between fee and non-fee services based on the proportion of direct fee hours and direct non-fee hours.

Overhead Services – General management and administrative costs primarily related to department or division indirect costs and allocations that support the Department's operations and services.

The combined annual work hours for direct services, indirect services, and overhead services for each employee in 2017 were then compared to and reconciled with the timekeeping data for each

employee's reported work hours for the year. If an employee's direct, indirect, and overhead work hours did not match to total reported work hours, then the direct, indirect, and overhead work hours were adjusted proportionally to reconcile to total work hours.

In addition to each employee's overall time for 2017, staff focus groups were conducted to identify the processing times for each individual Land Use Planning fee service by position class. Planning staff met several times to discuss and identify the time needed for each permit. The total processing time for each Land Use Planning fee service is shown in Appendix B.

Step 2: Build Cost Layers – The next stage in the process was to develop an analytical model for calculating the costs related to each fee category. The design and structure for the analytical model were based on the services and activities identified in Step 1 that were associated with the three service categories: direct, indirect, and overhead services. Cost layers were then developed for each fee category.

To build the cost layers, the staff time allocations for each activity (i.e. direct, indirect, and overhead) were first priced at each individual staff member's loaded hourly rate. The loaded hourly rate for one staff member equals the person's annual salary and benefits divided by the available work hours (i.e. total annual hours minus leave) in 2017. The analysis was done separately for Building, Land Use Planning, and Development Engineering based on staff time records and the services provided (see Appendix A). An additional analysis was completed to develop the cost of service for time spent on direct services by administrative staff including the DSG director and permit center staff.

After the labor costs for each staff member and each service were calculated, the non-labor costs were analyzed. Non-labor costs were allocated among direct fee services, direct non-fee services, and indirect services in proportion to the level of staff time reported for each service. Contract labor services to support Building and Development Engineering services were directly assigned to direct fee services. Contract labor costs that support permit archiving work were distributed across the different fee categories proportionally based on time estimates provided by City staff.

City and department overhead costs were also allocated for fee and non-fee services. City-wide overhead costs were allocated across the divisions (e.g., Administration, Building, Land Use Planning, and Development Engineering) based on the number of 2017-18 budgeted regular FTEs within each division. Department overhead related to the DSG director's indirect labor time was also allocated to the other divisions proportionally based on 2017-18 budgeted regular FTEs. The remaining Department overhead labor costs were allocated to the other divisions proportionally based on 2017 permit volumes. With exception to fleet-related overhead expenses, the Department overhead non-labor costs were allocated to the other divisions proportionally based on 2017 permit volumes. Based on discussions with City staff, 50 percent of fleet overhead costs (maintenance and replacement) are allocated to support code compliance services unrelated to permit services. The remaining 50 percent of fleet overhead costs support direct fee services and are allocated proportionally to the divisions based on 2017 permit volumes.

Step 3: Determine the Full Cost of Service – After establishing the different cost layers, the full cost of service was calculated. The initial steps of the cost of service analysis were focused on taking each fee group's 2017 cost of operations and distributing those costs among the different service categories and components to establish the cost layers that ultimately make up each program's total cost. To determine the full cost of service, the different costs are brought back together. The direct non-labor costs, indirect costs, and overhead costs for a particular fee category were added to each staff member's hourly rate based on each cost layer's cost divided by the total direct hours for the fee

category (e.g. Building, Land Use Planning, and Development Engineering). With these additional components, a fully loaded hourly rate was calculated for each staff member.

For a specific fee category, the cost layers were used to arrive at the full cost of service for each fee category. These cost layers were used to calculate hourly rate components by dividing the number of direct hours into the different cost layers.

For individual planning fees, the cost for each fee service was calculated by applying the fully loaded hourly rates for each position multiplied by the number of hours spent on each individual service. A fee service's total cost equals the sum of the costs of all the employees who provide the fee service. During interviews with Department staff, it was determined that some fee services require time from staff outside of the Department or City (e.g., city attorney, fire marshal, hearing examiner). In these cases, time estimates were provided for their work on specific fee services and the Department provided hourly labor rate estimates for the positions. Because these positions are outside of the Department, the hourly labor rates do not include DSG Department non-labor or overhead costs.

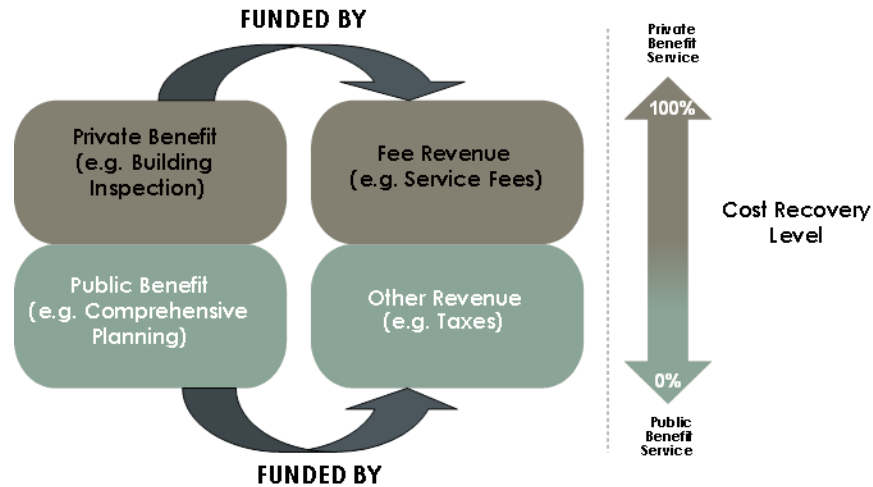
Step 4: Set Cost Recovery Objectives – Once the full cost of service is identified and the hourly rates are established, the next step is to identify the cost recovery levels and to establish cost recovery objectives.

Overall cost recovery levels for Building Plan Review and Inspections, Land Use Planning, and Development Engineering were determined by comparing each fee category's total cost of service to the respective permit fee revenue in 2017. When services cost more than the revenue generated, funding from the General Fund or other funds is needed to cover the gap between costs and revenues. The amount of cost recovery is a policy decision that is generally made by the City Council. Based on discussions with Department staff, the cost recovery goal for Building Plan Review and Inspections is 95 percent. The cost recovery goal for Land Use Planning and Development Engineering is 80 percent.

Cost recovery levels for individual Land Use Planning fees were also determined by comparing the costs of the various services to the individual fees charged (e.g. percentage of full costs compared to revenue generated). For this study, the fees charged for Land Use Planning services exclude the three percent technology fee assessed on all Department fees.

Cost recovery objectives can be based on a variety of factors, including the public versus private benefit provided by the service. If an activity has a public benefit, it might be more appropriately supported by the General Fund. Conversely, if an activity has mostly private benefits, it might be more appropriately supported by fees. Activities that have a mix of public and private benefits might be supported by a combination of fees and the General Fund. Exhibit 7 illustrates the application of public versus private benefit decisions in determining what level of the full cost of service should be recovered from fees. When fee activities combine both public and private benefits, the fees might be less than the cost of service. This concept that should be considered when determining the level of cost recovery.

Exhibit 7 Public Versus Private Benefit and Cost Recovery Decisions



Step 5: Set Fees – The final step of the cost of service and fee analysis was to calculate the fees based on the cost recovery policies. To calculate the fees, the amount of time spent to provide each fee service was established, where applicable. Other considerations in fee setting besides the analytical cost recovery objectives include key questions such as:

- Is it feasible to set fees at the calculated level?
- Will increasing fees result in compliance or public safety problems?
- Can the market bear the fee increases?
- Do adjustments in fees adversely affect other City goals?
- Are there feasible process changes that might bring costs into better balance with revenues?

CHAPTER III: COST OF SERVICE AND RECOVERY ANALYSIS STRATEGIES

Based on the methodology described in the previous chapter, the estimated 2017 full cost of service and cost recovery levels were determined for Building, Land Use Planning, and Development Engineering services as well as for individual Land Use Planning fees. The cost of service analysis shows the costs by type of cost category, overall fee category, and individual fee. Costs were first categorized following the Department’s organizational chart: Building, Land Use Planning, Development Engineering, Administration, and other departments. Because each staff group might provide services to the other divisions, the labor costs were re-grouped based on the staff’s annual time estimates for the different fee categories: Building, Land Use Planning, and Development Engineering. Exhibit 8 shows the results of the estimated direct hours for each staff group by fee category, and Exhibit 9 shows the labor costs attributed to the three fee categories from the different staff groups.

**Exhibit 8
Breakdown of 2017 Direct Hours by Fee Category***

Fee Category	Division					Total
	Building Plan Review & Inspection Services	Land Use Planning Services	Development Engineering	Administration	Other Departments	
Building Plan Review & Inspection Services	7,327	3,152	380	672	-	11,530
Land Use Planning Services	17	3,299	408	238	-	3,962
Development Engineering	-	53	2,429	116	10	2,608
Total	7,344	6,503	3,217	1,026	10	18,100

*According to 2017 timesheet data, staff from the City’s Public Works Department provided ten hours of support for Development Engineering fee services.

Exhibit 9
Allocation of 2017 Direct Labor Cost Layer by Fee Category

Fee Category	Division					Total
	Building Plan Review & Inspection Services	Land Use Planning Services	Development Engineering	Administration	Other Departments	
Building Plan Review & Inspection Services	\$ 590,449	\$ 183,286	\$ 20,123	\$ 35,077	\$ -	\$ 828,935
Land Use Planning Services	1,881	197,642	37,087	25,250	-	261,861
Development Engineering	-	3,955	160,802	6,588	716	172,061
Total	\$ 592,330	\$ 384,883	\$ 218,012	\$ 66,915	\$ 716	\$ 1,262,856

Note: Slight differences may occur due to rounding

Once the cost of service has been established, the level of cost recovery can be analyzed by comparing the cost of service to the revenues or current fee. The analysis evaluates the cost recovery level at an overall fee category level as well as for individual Land Use Planning fees. As previously mentioned, the cost of service is primarily based on the amount of time assigned to each fee category. Time from one fee category might also be related to other fee categories because there might be a certain degree of legal and technical overlap between the different fee categories. Consequently, each fee category’s cost of service provides a general cost estimate, and the cost recovery levels might also be affected by these estimates. The following cost of service and cost recovery analyses are based on the fee category and not on the organizational divisions.

BUILDING PLAN REVIEW & INSPECTION

As shown in Exhibit 10, the full cost of Building fee supported services was \$1,705,135. Direct services were about 54% of the full cost of service, while indirect services were 6% of the full cost of service. Department administration and citywide overhead costs represented the remaining cost of service. The Building group’s non-labor costs were allocated across building fee and non-fee categories based on staff-reported work hours.

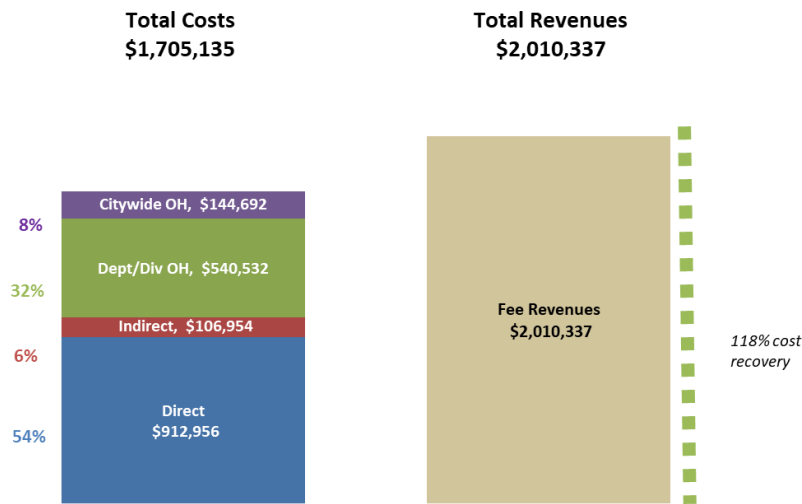
Exhibit 10
2017 Full Cost of Service for Building Plan Review & Inspection

<i>Building Plan Review & Inspection Services</i>		Annual Cost Components		Total Costs	% of Total Costs
		Labor Costs	Non-Labor Costs		
Direct Costs	Total Direct Services	\$ 828,935	\$ 26,920	\$ 855,854	50.2%
	Contract Services		\$ 57,102	\$ 57,102	3.3%
Subtotal Direct Costs		\$ 828,935	\$ 84,021	\$ 912,956	53.5%
Indirect Costs	DINADM - Indirect-Administrative Duties	\$ 95,618	\$ 2,705	\$ 98,323	5.8%
	DINCST - Indirect - Customer Service	2,165	46	2,211	0.1%
	DINEGV - Indirect - EGov and MBP	6,289	131	6,420	0.4%
Subtotal Indirect Costs		104,072	2,882	\$ 106,954	6.3%
Overhead Costs	Department Administration OH - Fee Related	\$ 418,694	\$ 121,838	\$ 540,532	31.7%
	Division OH - Fee Related	-	-	-	-
	Citywide OH - Fee Related	-	144,692	144,692	8.5%
Subtotal Overhead Costs		\$ 418,694	\$ 266,531	\$ 685,225	40.2%
Total Building Plan Review & Inspection Services Costs		\$ 1,351,700	\$ 353,435	\$ 1,705,135	100.0%

Note: Slight differences may occur due to rounding

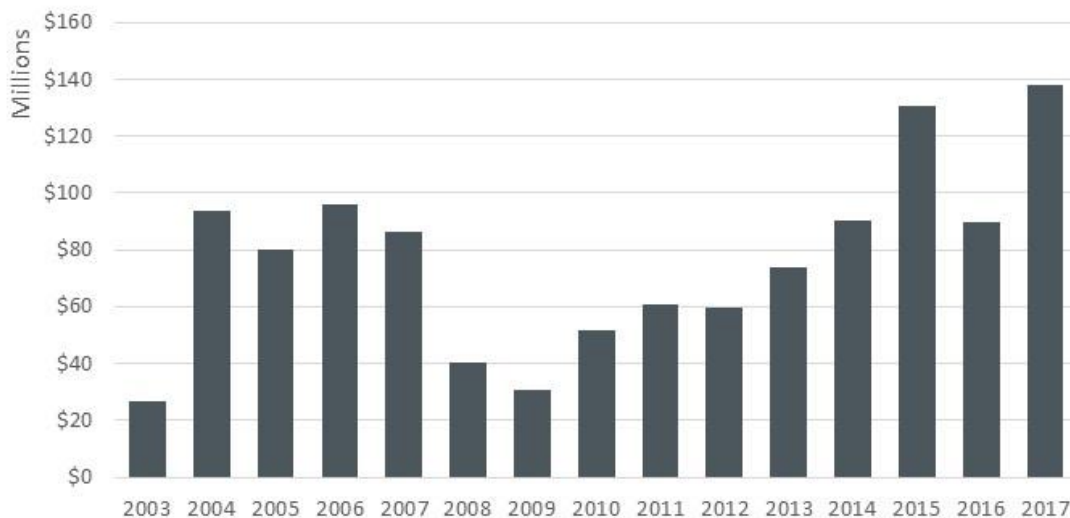
Exhibit 11 compares the Exhibit 10 costs with the 2017 total revenues for Building Plan Review and Inspection services. Permit revenue in this analysis only accounts for recognized or earned revenue in 2017. The Department also received some permit revenue in 2017 for which plan review or inspection work was not completed in 2017. This unearned or carryover revenue is excluded from the cost recovery analysis. The total cost of service for fee supported services (\$1,705,135) was less than earned fee revenue (\$2,010,337) by approximately \$305,000. In other words, the cost recovery rate for Building Plan Review and Inspection services in 2017 was 118 percent. In comparison to previous fee studies completed by FCS GROUP for the Department, the 2017 cost recovery rate is lower than 2015 (125 percent) and higher than 2012 (87 percent).

Exhibit 11
2017 Cost Recovery for Building Plan Review & Inspection Services



Cost recovery levels for building permit services can fluctuate year to year in response to changes in development activity. Exhibit 12 illustrates the change in building valuation over the last fifteen years. Because the majority of building permit revenue is based on building valuation, changes in building valuation have a direct impact on building permit revenue. Higher building valuation generally corresponds to higher cost recovery while lower building valuation generally corresponds to a lower cost recovery. Given the relatively high building valuation in 2017, the cost recovery level for Building Plan Review and Inspections in 2017 exceed the target rate. It is common for jurisdictions to experience higher cost recovery rates during periods of higher permit activity because there is typically a delay in the hiring of additional staff to process the increased workload.

Exhibit 12
Historical Building Valuation, 2003 to 2017



LAND USE PLANNING SERVICES

As shown in Exhibit 13, the full cost of Land Use Planning fee supported services was \$580,870. Direct services were about 48% of the full cost of service, while indirect services were 11% of the full cost of service. The remaining 41% is attributed to Department administration and citywide overhead costs.

Exhibit 13
2017 Full Cost of Service for Land Use Planning Services

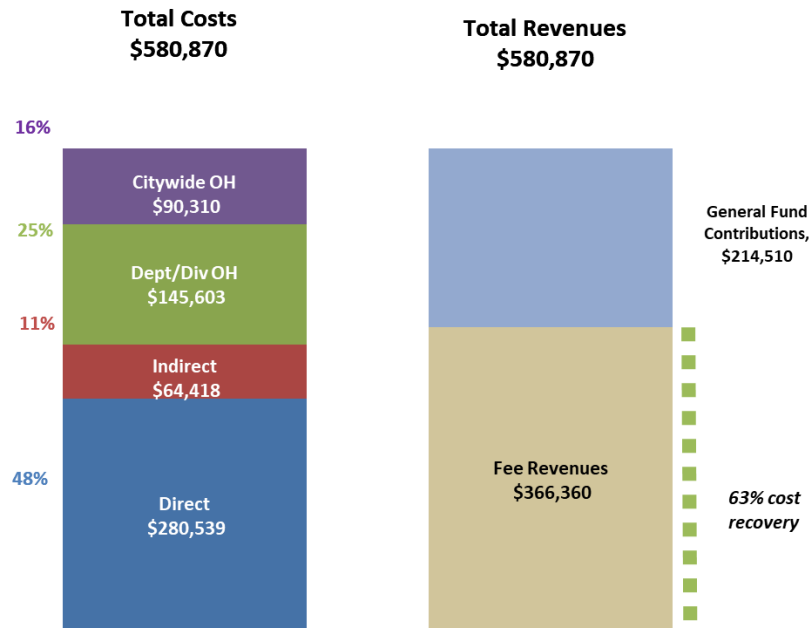
<i>Land Use Planning Services</i>		Annual Cost Components		Total Costs	% of Total Costs
		Labor Costs	Non-Labor Costs		
Direct Costs	Total Direct Services	\$ 261,861	\$ 18,678	\$ 280,539	48.3%
	Contract Services		\$ -	\$ -	-
Subtotal Direct Costs		\$ 261,861	\$ 18,678	\$ 280,539	48.3%
Indirect Costs	DINADM - Indirect-Administrative Duties	\$ 46,333	\$ 1,547	\$ 47,879	8.2%
	DINCST - Indirect - Customer Service	15,962	577	16,539	2.8%
	DINEGV - Indirect - EGov and MBP	-	-	-	-
Subtotal Indirect Costs		62,295	2,123	\$ 64,418	11.0%
Overhead Costs	Department Administration OH - Fee Related	\$ 123,630	\$ 21,973	\$ 145,603	25.1%
	Division OH - Fee Related	-	-	-	-
	Citywide OH - Fee Related	-	90,310	90,310	15.5%
Subtotal Overhead Costs		\$ 123,630	\$ 112,283	\$ 235,913	40.6%
Total Land Use Planning Services Costs		\$ 447,785	\$ 133,085	\$ 580,870	100.0%

Note: Slight differences may occur due to rounding

To determine a fully loaded hourly rate for Land Use Planning direct fee services, the total cost of service for the program (\$580,870) was divided by direct fee hours for the program (3,962). The fully loaded average hourly rate for Land Use Planning fees in 2017 is \$146.62.

Exhibit 14 compares the costs found in Exhibit 13 to the 2017 total revenues for Land Use Planning services. This graph illustrates that 63 percent of the division's costs were recovered from permit revenues. The remaining \$215,000 in costs was covered by the General Fund or other revenue sources. In comparison to previous fee studies completed by FCS GROUP for the Department, the 2017 cost recovery rate is lower than in 2015 (83 percent) and higher than in 2012 (39 percent).

Exhibit 14 2017 Cost Recovery for Land Use Planning Services



Individual Land Use Planning Fees

Exhibits 15, 16, and 17 detail the cost of service for all identified planning fees based on the calculated rates, the current fee, and cost recovery percentage. Of the 63 current fees, 23 fees were consolidated, deleted, or retained at current fee levels (See Exhibit 5), so a cost recovery analysis was conducted on the remaining 40 fees (Exhibit 15). Seven of these current fees included in the analysis are proposed as hourly fees and are included in Exhibit 16. In addition, Department staff identified 15 new fees and provided estimated work times for these new fees (Exhibit 17). The current fees listed for all services exclude the three percent technology fee assessed on all Department fee services.

The Department anticipates additional expenses for one of the new planning fee services: the Transportation Concurrency service. To provide this fee service, \$3,200 in non-labor expense was added to the Land Use Planning program’s cost of service in 2017 to account for the eventual replacement of a transportation concurrency model. The additional expense is based on the replacement cost of the model (\$16,000) prorated over a five-year replacement schedule. This additional expense is not included in the Land Use Planning program’s overall cost of service as detailed in Exhibit 13. The additional cost is only used in determining the cost of service for individual Land Use Planning fees. The annualized cost to replace the transportation concurrency model is estimated to increase the loaded hourly rate for Land Use Planning fees by less than \$1 per hour, from \$146.62 to \$147.43 per hour.

The average cost recovery rate for all current and new fees included in the cost recovery analysis was 43 percent. Only one fee had a cost recovery rate greater than 100 percent: New Wireless Communication Facilities (102%). Examples of cost recovery rates for Land Use Planning fees include:

- Accessory Dwelling Unit (8%)
- Conditional Use Permit (94%)
- Design Commission Study Session (29%)
- Subdivision Preliminary Long Plat (70%)

Exhibit 15
2017 Cost of Service by Individual Planning Fee (Current Fees)

Fee Description	Cost of Service	Current Fee - 2018	Cost Recovery (%)
Appeals - Land Use	\$ 7,644	\$ 925	12%
Appeals - Code Interpretation	6,824	925	14%
Critical Areas - Determination	7,863	2,859	36%
Critical Areas - Reasonable Use Exception	16,238	5,722	35%
Design Review - Design Commission Study Session	5,387	1,583	29%
Wireless Communication Facilities - Wireless Communication Facilities-6409 Exemption	4,425	1,583	36%
Wireless Communication Facilities - New Wireless Communications Facility	5,750	6,332	110%
Deviations - Changes to Antenna Requirements	3,033	1,907	63%
SEPA Review (Checklist) - Major	6,110	1,907	31%
Shoreline Management - Exemption	1,733	462	27%
Shoreline Management - Permit Revision	1,757	764	43%
Shoreline Management - Substantial Development Permit	4,533	2,860	63%
Subdivision Preliminary Long Plat - Long Plat	28,256	19,785	70%
Subdivision Long Plat - Subdivision Alteration to Existing Plat	13,610	4,767	35%
Subdivision Long Plat - Final Subdivision Review	11,284	4,749	42%
Preliminary Subdivision Short Plat	9,864	5,539	56%
Subdivision Short Plat - Three Lots	14,408	6,648	46%
Subdivision Short Plat - Four Lots	14,408	7,914	55%
Subdivision Short Plat - Short Plat Alteration	8,682	5,539	64%
Subdivision Short Plat - Final Short Plat Approval	4,855	954	20%
Variances (Plus Hearing Examiners Fee)	9,279	3,814	41%
Other Land Use - Accessory Dwelling Units (ADU)	2,317	191	8%
Other Land Use - Code Interpretation Request	2,353	950	40%
Other Land Use - Comprehensive Plan Amendment (CPA)-Application	22,365	4,387	20%
Other Land Use - Conditional Use (CUP)	8,105	7,628	94%
Other Land Use - Lot Line Revision	4,741	3,166	67%
Other Land Use - Noise Exception - Type 1	2,750	1,267	46%
Other Land Use - Noise Exception - Type 2	1,118	632	57%
Other Land Use - Noise Exception - Type 3	846	475	56%
Other Land Use - Reclassification of Property (Rezoning)	15,379	4,767	31%
Other Land Use - Zoning Code Text Amendment	21,681	4,387	20%
Pre-Application Meeting	1,967	488	25%
SEPA Review (Checklist) - Minor	2,756	572	21%

Exhibit 16

2017 Cost of Service by Individual Planning Fee (Current Fees Proposed to be Hourly Fees)*

Fee Description	Cost of Service	Current Fee - 2018	Cost Recovery (%)
Deviations - Changes to Open Space - Set to Hourly Fee	\$ 147	\$ 1,907	Hourly Fee
Deviations - Critical Areas Setback - Set to Hourly Fee	147	2,860	Hourly Fee
Deviations - Shoreline - Set to Hourly Fee	147	3,814	Hourly Fee
Environmental Review (SEPA) - Environmental Impact Statement or Revision - Set to Hourly Fee	147	2,860	Hourly Fee
Subdivision Long Plat - Fire Review - Set to Hourly Fee	83	130	Hourly Fee
Subdivision Short Plat - Deviation of Acreage Limitation - Set to Hourly Fee	147	983	Hourly Fee
Other Land Use - Code Interpretation Request (after first six hours) - Set to Hourly Fee	147	151	Hourly Fee

*The hourly fee for Subdivision Long Plat - Fire Review is performed by the Fire Marshal and does not include DSG indirect and overhead costs.

Exhibit 17

2017 Cost of Service by Individual Planning Fee (New Fees)

Fee Description	Cost of Service	Current Fee - 2018	Cost Recovery (%)
Pre-Design Meeting	\$ 1,967	\$ -	0%
Requests for Letter	682	-	0%
Hourly Fee for Planning Work Not Covered by a Permit	147	-	0%
Additional Design Review Meeting	4,236	-	0%
Business License Review	75	-	0%
Appeals - ROW	10,248	-	0%
Shoreline - Variance	10,986	-	0%
Shoreline - Conditional Use	10,232	-	0%
Noise Exception - Type 4	2,720	-	0%
3rd+ Correction Request	1,773	-	0%
Design Review (Code Official)	3,075	-	0%
Design Review (Design Commission - Exterior Alterations)	14,071	-	0%
Design Review (Design Commission - New Building)	23,122	-	0%
Impact Fee Deferral	59	-	0%
Transportation Concurrency	134	-	0%

DEVELOPMENT ENGINEERING

As shown in Exhibit 18, the full cost of Development Engineering fee supported services was \$590,305. Direct services were 37% of the full cost of service, while indirect services represented 20%. Department and Citywide overhead costs were the remaining 43%.

**Exhibit 18
2017 Full Cost of Service for Development Engineering**

<i>Development Engineering</i>		Annual Cost Components		Total Costs	% of Total Costs
		Labor Costs	Non-Labor Costs		
Direct Costs	Total Direct Services	\$ 172,061	\$ 3,544	\$ 175,604	29.7%
	Contract Services		\$ 42,179	\$ 42,179	7.1%
Subtotal Direct Costs		\$ 172,061	\$ 45,723	\$ 217,784	36.8%
Indirect Costs	DINADM - Indirect-Administrative Duties	\$ 96,275	\$ 1,268	\$ 97,543	16.5%
	DINCST - Indirect - Customer Service	19,318	288	19,606	3.3%
	DINEGV - Indirect - EGov and MBP	-	-	-	-
Subtotal Indirect Costs		115,594	1,555	\$ 117,149	19.8%
Overhead Costs	Department Administration OH - Fee Related	\$ 149,452	\$ 38,849	\$ 188,301	31.9%
	Division OH - Fee Related	-	-	-	-
	Citywide OH - Fee Related	-	67,071	67,071	11.4%
Subtotal Overhead Costs		\$ 149,452	\$ 105,921	\$ 255,372	43.3%
Total Development Engineering Costs		\$ 437,106	\$ 153,199	\$ 590,305	100.0%

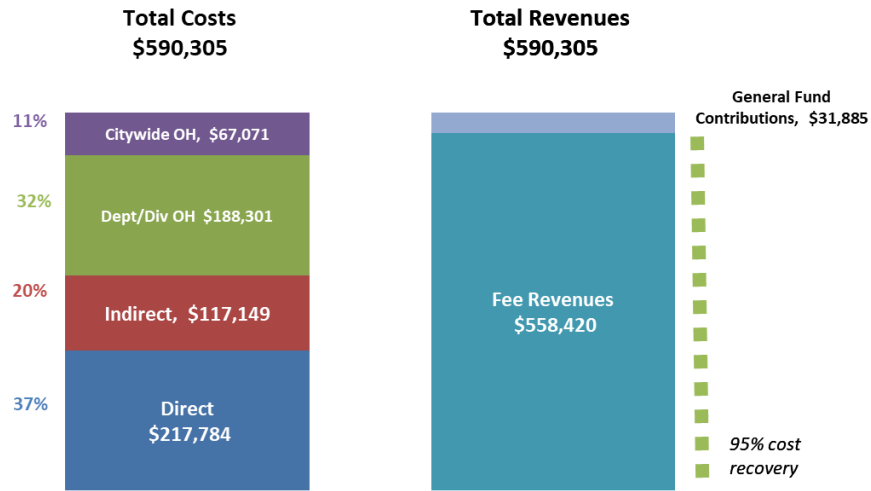
Note: Slight differences may occur due to rounding

In 2017 the overall revenues from Development Engineering fee services were lower than the total costs. Revenue from development engineering permits totaled \$558,420 while calculated costs totaled \$590,305. Based on the analysis, Development Engineering services required approximately \$32,000 in General Fund support in 2017. The overall cost recovery rate is 95%. In comparison to previous fee studies completed by FCS GROUP for the Department, the 2017 cost recovery rate is higher than in 2015 (53 percent) and in 2012 (48 percent). The increase in the cost recovery rate in 2017 is primarily attributed to two changes to the study methodology for Development Engineering.

- Tree permit revenue (\$95,273 in 2017) is allocated to Development Engineering to align with the labor and non-labor costs for the City Arborist, which are allocated to Development Engineering.
- Expenditures related to water, sewer, stormwater, and street utility inspections (\$128,916 in 2017) are recovered by the City’s utility funds and, as a result, are not included in the cost recovery analysis for Development Engineering permit fee services.

Exhibit 19 illustrates the cost recovery rate for Development Engineering services in 2017.

Exhibit 19 2017 Cost Recovery for Development Engineering



APPENDIX A – 2017 TIME ESTIMATES

Building Plan Review & Inspection Services							
LABOR HOURS		Total	Cole, Don - Building Official	Gardner, Brent - Building Inspector	Potterf, Mark - Senior Building Inspector	Reece, Gareth - Senior Building Plans Examiner	Skidmore, Paul - Senior Building Plans Examiner
Labor Breakdown	Annual Regular Labor	10,377	2,106	2,050	2,095	2,080	2,046
	Annual Overtime	0					
	Annual Labor	10,377	2,106	2,050	2,095	2,080	2,046
	Annual Leave	2,068	504	436	444	276	408
Total Available Work Hours		8,309	1,602	1,614	1,651	1,804	1,638
Indirect Activities	DINADM - Indirect-Administrative Duties	846	472	58	57	90	170
	DINCST - Indirect - Customer Service	20	19	2	0	0	0
	DINEGV - Indirect - EGov and MBP	58	58	0	0	0	0
		0					
Net Annual Labor Related to Direct Services		7,384	1,053	1,554	1,594	1,714	1,468
Direct Fee Time Categories for Building Plan Review & Inspection Services	Bldg-Com_MF Inspections	652	34	275	342	0	0
	Bldg-Com_MF Plan Review	1,258	301	211	92	0	654
	Bldg-Fire Inspection	2	2	0	0	0	0
	Bldg-Fire Plan Review	4	4	0	0	0	0
	Bldg-OTC Sub Permits	77	9	0	0	51	16
	Bldg-SF Inspection	2,315	150	966	1,098	83	18
	Bldg-SF Plan Review	2,903	420	85	56	1,571	772
	Bldg-Deviation in Wet Season	12	12	0	0	0	0
	Eng-Fire Inspection	0	0	0	0	0	0
	Eng-Fire Plan Review	0	0	0	0	0	0
	Eng-ROW	0	0	0	0	0	0
	Eng-Site Development	0	0	0	0	0	0
	Eng-Storm Review Inspec	0	0	0	0	0	0
	Eng-Tree Review Inspec	0	0	0	0	0	0
	Eng-Utility Inspections	0	0	0	0	0	0
	Pln-Administrative Actions	0	0	0	0	0	0
	Pln-Appeals	8	8	0	0	0	0
	Pln-Business License Review	0	0	0	0	0	0
	Pln-Critical Areas	0	0	0	0	0	0
	Pln-Discretionary Actions	0	0	0	0	0	0
	Pln-Ministerial Actions	0	0	0	0	0	0
	Pln-Other Land Use	0	0	0	0	0	0
	Pln-PreApp Meeting	9	9	0	0	0	0
	Pln-ROW Encroachment	0	0	0	0	0	0
	Pln-Subdivisions	0	0	0	0	0	0
	Pln-Wireless Comm	0	0	0	0	0	0
	Bldg-Zoning Review Perm	0	0	0	0	0	0
	Bldg-Major SF	0	0	0	0	0	0
	Bldg-PreApp Meetings	30	16	0	6	0	8
	Bldg-Sound Transit and East Link	73	69	3	0	1	0
		0					
	LastBuilding	0					
	Direct Non-Fee Time Categories for Building Plan Review & Inspection Services	Bldg-Tenant Housing	3	3	0	0	0
Eng-NPDES Compliance		0	0	0	0	0	0
Neighborhood Traffic		0	0	0	0	0	0
TIP Development		0	0	0	0	0	0
Long Range Planning		0	0	0	0	0	0
Bldg-Code Enforcement		37	14	14	0	8	0
Bldg-NonDept Admin		0	0	0	0	0	0
Bldg-Misc NonRecover		1	1	0	0	0	0
		0					
LastBuilding		0					
Total Direct Hours		7,384	1,053	1,554	1,594	1,714	1,468
Total Indirect Hours		925	549	60	57	90	170
Total Direct Hours - Fee Services		7,344	1,035	1,540	1,594	1,706	1,468
Total Direct Hours - Direct Non-Fee Time Categories		41	18	14	-	8	-
Grand Total		8,309	1,602	1,614	1,651	1,804	1,638

Land Use Planning Services			Anderson, Lauren - Assistant Planner	Gaudette, Nicole - Senior Planner	Leon, Andrew - Planner	Maxim, Evan - Planning Manager	Proebsting, Robin - Senior Planner
LABOR HOURS		Total					
Labor Breakdown	Annual Regular Labor	9,937	2,080	2,064	1,664	2,074	2,055
	Annual Overtime	0					
	Annual Labor	9,937	2,080	2,064	1,664	2,074	2,055
	Annual Leave	868	177	206	73	177	236
Total Available Work Hours		9,069	1,903	1,859	1,591	1,897	1,820
Indirect Activities	DINADM - Indirect-Administrative Duties	907	119	110	126	412	140
	DINCST - Indirect - Customer Service	421	112	133	45	15	116
	DINEGV - Indirect - EGov and MBP	0	0	0	0	0	0
Net Annual Labor Related to Direct Services		7,741	1,672	1,616	1,420	1,470	1,564
Direct Fee Time Categories for Land Use Planning Services	Bldg-Com_MF Inspections	5	0	0	0	5	0
	Bldg-Com_MF Plan Review	0	0	0	0	0	0
	Bldg-Fire Inspection	0	0	0	0	0	0
	Bldg-Fire Plan Review	0	0	0	0	0	0
	Bldg-OTC Sub Permits	0	0	0	0	0	0
	Bldg-SF Inspection	2	0	2	0	0	0
	Bldg-SF Plan Review	27	27	0	0	0	0
	Blg-Deviation in Wet Season	19	1	4	14	1	0
	Eng-Fire Inspection	0	0	0	0	0	0
	Eng-Fire Plan Review	0	0	0	0	0	0
	Eng-ROW	46	2	2	0	39	3
	Eng-Site Development	7	1	0	0	0	6
	Eng-Storm Review Inspec	0	0	0	0	0	0
	Eng-Tree Review Inspect	0	0	0	0	0	0
	Eng-Utility Inspections	0	0	0	0	0	0
	Pln-Administrative Actions	1,361	250	351	432	43	285
	Pln-Appeals	151	0	61	0	48	42
	Pln-Business License Review	39	15	5	14	0	5
	Pln-Critical Areas	349	122	43	75	33	77
	Pln-Discretionary Actions	92	0	38	2	8	44
	Pln-Ministerial Actions	349	87	129	72	13	48
	Pln-Other Land Use	41	0	27	0	3	11
	Pln-PreApp Meeting	169	19	40	57	12	42
	Pln-ROW Encroachment	33	0	26	0	0	7
	Pln-Subdivisions	212	66	80	6	5	56
	Pln-Wireless Comm	86	3	20	36	1	26
Bldg-Zoning Review Perm	3,098	939	621	623	225	690	
Pln-Major SF	156	44	19	39	2	53	
Pln-PreApp Meetings	248	49	39	52	12	96	
Pln-Sound Transit and East Link	12	6	6	0	0	0	
LastPlanning	0						
Direct Non-Fee Time Categories for Land Use Planning Services	Bldg-Tenant Housing	0	0	0	0	0	0
	Eng-NPDES Compliance	0	0	0	0	0	0
	Neighborhood Traffic	0	0	0	0	0	0
	TIP Development	8	0	8	0	0	0
	Long Range Planning	1,191	28	85	0	1,018	61
	Pln-Code Enforcement	21	11	1	0	3	6
	Pln-NonDept Admin	18	3	9	0	0	6
	Pln-Misc NonRecover	0	0	0	0	0	0
		0					
	LastPlanning	0					
Total Direct Hours		6,503	1,672	1,616	1,420	1,470	1,564
Total Indirect Hours		1,328	231	243	171	427	256
Total Direct Hours - Fee Services		6,503	1,630	1,513	1,420	450	1,490
Total Direct Hours - Direct Non-Fee Time Categories		1,238	42	102	-	1,020	73
Grand Total		9,069	1,903	1,859	1,591	1,897	1,820

Development Engineering LABOR HOURS			Ding, Ruji - Senior Development Engineer	Yamashita, Patrick - City Engineer	Kenney, John - Private Development Arborist
		Total			
Labor Breakdown	Annual Regular Labor	5,495	2,080	1,831	1,584
	Annual Overtime	0			
	Annual Labor	5,495	2,080	1,831	1,584
	Annual Leave	700	309	280	112
Total Available Work Hours		4,795	1,771	1,552	1,472
Indirect Activities	DINADM - Indirect-Administrative Duties	961	85	876	0
	DINCST - Indirect - Customer Service	252	180	72	0
	DINEGV - Indirect - EGov and MBP	0	0	0	0
Net Annual Labor Related to Direct Services		3,582	1,506	604	1,472
Direct Fee Time Categories for Development Engineering	Bldg-Com_MF Inspections	0	0	0	0
	Bldg-Com_MF Plan Review	0	0	0	0
	Bldg-Fire Inspection	0	0	0	0
	Bldg-Fire Plan Review	0	0	0	0
	Bldg-OTC Sub Permits	0	0	0	0
	Bldg-SF Inspection	0	0	0	0
	Bldg-SF Plan Review	0	0	0	0
	Blg-Deviation in Wet Season	0	0	0	0
	Eng-Fire Inspection	0	0	0	0
	Eng-Fire Plan Review	1	0	1	0
	Eng-ROW	74	10	64	0
	Eng-Site Development	343	322	21	0
	Eng-Storm Review Inspec	608	595	13	0
	Eng-Tree Review Inspect	1,099	0	1	1,098
	Eng-Utility Inspections	38	36	2	0
	Pln-Administrative Actions	49	9	40	0
	Pln-Appeals	14	0	14	0
	Pln-Business License Review	0	0	0	0
	Pln-Critical Areas	0	0	0	0
	Pln-Discretionary Actions	1	0	1	0
	Pln-Ministerial Actions	35	32	3	0
	Pln-Other Land Use	31	0	31	0
	Pln-PreApp Meeting	76	64	12	0
	Pln-ROW Encroachment	149	141	8	0
	Pln-Subdivisions	53	51	2	0
	Pln-Wireless Comm	0	0	0	0
	Bldg-Zoning Review Perm	380	80	0	300
Eng-Major SF	0	0	0	0	
Eng-PreApp Meetings	252	164	14	74	
Eng-Sound Transit and East Link	14	0	14	0	
	0				
LastOther1	0				
Direct Non-Fee Time Categories for Development Engineering	Bldg-Tenant Housing	0	0	0	0
	Eng-NPDES Compliance	146	0	146	0
	Neighborhood Traffic	14	0	14	0
	TIP Development	164	0	164	0
	Long Range Planning	11	0	11	0
	Eng-Code Enforcement	18	1	17	0
	Eng-NonDept Admin	1	0	1	0
	Eng-Misc NonRecover	11	1	10	0
		0			
		0			
	LastOther1	0			
Total Direct Hours		3,217	1,506	604	1,472
Total Indirect Hours		1,213	265	948	0
Total Direct Hours - Fee Services		3,217	1,504	241	1,472
Total Direct Hours - Direct Non-Fee Time Categories		365	2	363	0
Grand Total		4,795	1,771	1,552	1,472

Administration LABOR HOURS		Total	Greenberg, Scott - Director	Van Gorp, Alison - Administrati ve Services Manager	Henderson, David - Permit Center Supervisor	Mercier, Holly - Permit Process Supervisor	Allerdice, Norine - Permit Technician	Larson, Andrea - Administrati ve Assistant	Serfling, Jimmi L - Code Enforcement Officer	Zlateff, Dana - Code Enforcement Officer
Labor Breakdown	Annual Regular Labor	13,497	2,000	2,072	2,160	1,784	2,080	2,080	1,221	100
	Annual Overtime	0								
	Annual Labor	13,497	2,000	2,072	2,160	1,784	2,080	2,080	1,221	100
	Annual Leave	2,061	442	322	339	141	196	357	257	8
Total Available Work Hours		11,436	1,559	1,751	1,821	1,643	1,884	1,723	964	92
Indirect Activities	DINADM - Indirect-Administrative Duties	3,802	645	1,075	141	270	308	1,262	94	7
	DINCST - Indirect - Customer Service	4,045	2	122	1,435	1,302	1,182	2	1	0
	DINEGV - Indirect - EGov and MBP	53	0	0	0	53	0	0	0	0
		0								
Net Annual Labor Related to Direct Services		3,536	911	554	245	18	395	459	869	85
Direct Fee Time Categories for Administration	Bldg-Com_MF Inspections	0	0	0	0	0	0	0	0	0
	Bldg-Com_MF Plan Review	0	0	0	0	0	0	0	0	0
	Bldg-Fire Inspection	0	0	0	0	0	0	0	0	0
	Bldg-Fire Plan Review	0	0	0	0	0	0	0	0	0
	Bldg-OTC Sub Permits	132	0	0	132	0	0	0	0	0
	Bldg-SF Inspection	8	0	0	8	0	0	0	0	0
	Bldg-SF Plan Review	0	0	0	0	0	0	0	0	0
	Blg-Deviation in Wet Season	0	0	0	0	0	0	0	0	0
	Eng-Fire Inspection	0	0	0	0	0	0	0	0	0
	Eng-Fire Plan Review	0	0	0	0	0	0	0	0	0
	Eng-ROW	116	4	0	0	0	0	112	0	0
	Eng-Site Development	0	0	0	0	0	0	0	0	0
	Eng-Storm Review Inspec	0	0	0	0	0	0	0	0	0
	Eng-Tree Review Inspect	0	0	0	0	0	0	0	0	0
	Eng-Utility Inspections	0	0	0	0	0	0	0	0	0
	Pln-Administrative Actions	84	84	0	0	0	0	0	0	0
	Pln-Appeals	37	20	0	0	0	0	16	0	0
	Pln-Business License Review	0	0	0	0	0	0	0	0	0
	Pln-Critical Areas	4	2	0	0	0	0	2	0	0
	Pln-Discretionary Actions	25	0	0	0	0	0	25	0	0
	Pln-Ministerial Actions	4	2	0	0	0	0	2	0	0
	Pln-Other Land Use	0	0	0	0	0	0	0	0	0
	Pln-PreApp Meeting	2	1	1	0	0	0	0	0	0
	Pln-ROW Encroachment	1	1	0	0	0	0	0	0	0
	Pln-Subdivisions	4	4	0	0	0	0	0	0	0
	Pln-Wireless Comm	2	2	0	0	0	0	0	0	0
Bldg-Zoning Review Perm	11	11	0	0	0	0	0	0	0	
Admin-Major SF	522	1	0	54	8	385	73	0	0	
Adm-PreApp Meetings	58	0	0	50	8	0	0	0	0	
Adm-Sound Transit and East Link	18	16	0	0	2	0	0	0	0	
	0									
LastOther2	0									
Direct Non-Fee Time Categories for Administration	Bldg-Tenant Housing	0	0	0	0	0	0	0	0	0
	Eng-NPDES Compliance	0	0	0	0	0	0	0	0	0
	Neighborhood Traffic	0	0	0	0	0	0	0	0	0
	TIP Development	136	134	2	0	0	0	0	0	0
	Long Range Planning	1,167	607	469	0	0	0	91	0	0
	Adm-Code Enforcement	1,047	11	82	1	0	0	0	869	85
	Adm-NonDept Admin	147	0	0	0	0	10	137	0	0
	Adm-Misc NonRecover	13	13	0	0	0	0	0	0	0
		0								
		0								
	LastOther2	0								
Total Direct Hours		1,026	911	554	245	18	395	459	869	85
Total Indirect Hours		7,900	647	1,197	1,576	1,625	1,489	1,264	95	7
Total Direct Hours - Fee Services		1,026	147	1	244	18	385	230	0	0
Total Direct Hours - Direct Non-Fee Time Categories		2,510	764	553	1	0	10	229	869	85
Grand Total		11,436	1,559	1,751	1,821	1,643	1,884	1,723	964	92

APPENDIX B – PLANNING PERMIT PROCESSING TIMES

Current Land Use Planning Fees*

Fee Description	Direct Time (in hours)
Appeals - Land Use	60.50
Appeals - Code Interpretation	51.50
Critical Areas - Determination	49.50
Critical Areas - Reasonable Use Exception	108.00
Design Review - Design Commission Study Session	40.00
Wireless Communication Facilities - Wireless Communication Facilities-6409 Exemption	32.50
Wireless Communication Facilities - New Wireless Communications Facility	39.00
Deviations - Changes to Antenna Requirements	23.50
SEPA Review (Checklist) - Major	39.00
Shoreline Management - Exemption	12.50
Shoreline Management - Permit Revision	11.00
Shoreline Management - Substantial Development Permit	34.00
Subdivision Preliminary Long Plat - Long Plat	177.00
Subdivision Long Plat - Subdivision Alteration to Existing Plat	93.00
Subdivision Long Plat - Final Subdivision Review	66.50
Preliminary Subdivision Short Plat	62.50
Subdivision Short Plat - Three Lots	80.50
Subdivision Short Plat - Four Lots	80.50
Subdivision Short Plat - Short Plat Alteration	54.50
Subdivision Short Plat - Final Short Plat Approval	31.50
Variances (Plus Hearing Examiners Fee)	62.00
Other Land Use - Accessory Dwelling Units (ADU)	18.50
Other Land Use - Code Interpretation Request	18.00
Other Land Use - Comprehensive Plan Amendment (CPA)-Application	155.00
Other Land Use - Conditional Use (CUP)	58.00
Other Land Use - Lot Line Revision	31.00
Other Land Use - Noise Exception - Type 1	10.50
Other Land Use - Noise Exception - Type 2	4.50
Other Land Use - Noise Exception - Type 3	3.50
Other Land Use - Reclassification of Property (Rezoning)	109.50
Other Land Use - Zoning Code Text Amendment	150.00
Pre-Application Meeting	11.50
SEPA Review (Checklist) - Minor	21.50

*Note: Excludes 7 current fees that are proposed as hourly fees (see Exhibit 16 for list of hourly fees)

New Land Use Planning Fees

Fee Description	Direct Time (in hours)
Pre-Design Meeting	11.50
Requests for Letter	4.50
Hourly Fee for Planning Work Not Covered by a Permit	-
Additional Design Review Meeting	32.50
Business License Review	0.50
Appeals - ROW	72.00
Shoreline - Variance	80.00
Shoreline - Conditional Use	73.00
Noise Exception - Type 4	10.00
3rd+ Correction Request	11.50
Design Review (Code Official)	23.50
Design Review (Design Commission - Exterior Alterations)	99.00
Design Review (Design Commission - New Building)	160.50
Impact Fee Deferral	1.00
Transportation Concurrency	1.50

Development and Construction Permit Fee Schedule Update

AB 5781 | November 17, 2020

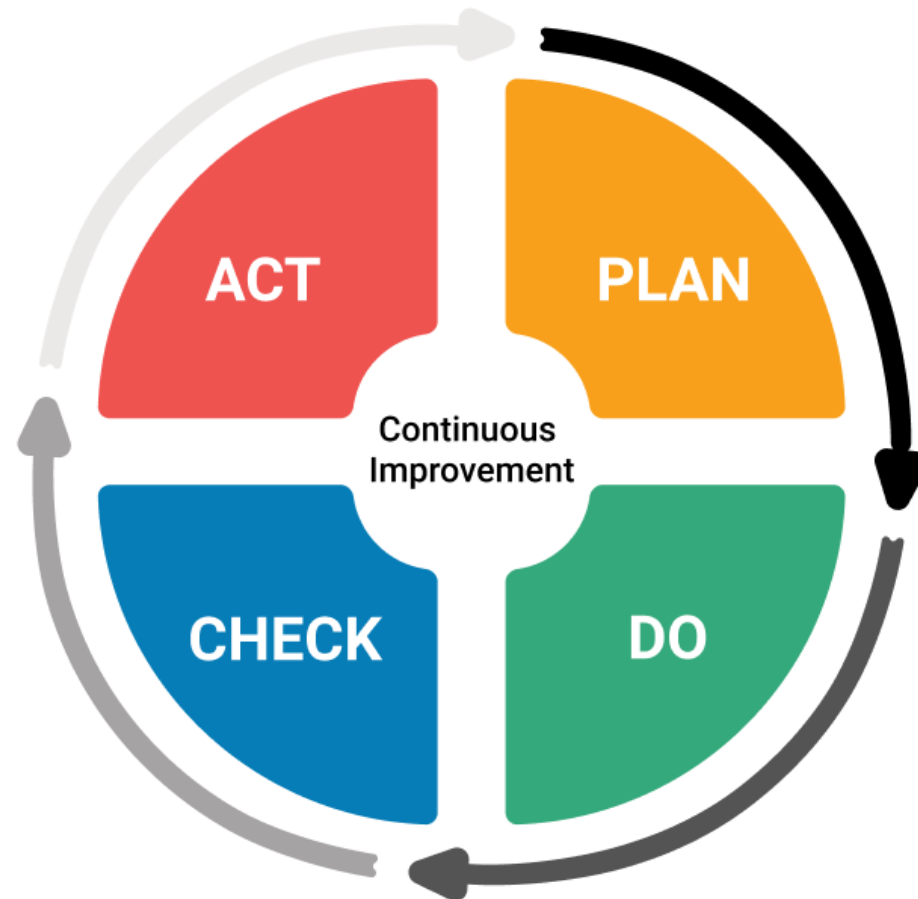


Introduction

- Since 2016, the City has studied and attempted to align cost recovery targets for development permits and services with desired policy and budgetary objectives.
- The City has relied on fee studies to estimate cost recovery; however they were not based on actual data.
- Failure to achieve cost recovery targets highlighted in 2020 with GF reductions.
- Propose moving to a new time tracking system using existing TRAKiT software.
- Significant change for planning permits in hourly tracking and charges - King County cities use different methodologies – flat, hourly and/or hybrid fees.
- Practicing the cycle of continuous improvement.



Cycle of Continuous Improvement



Source: <https://kanbanize.com>



Summary of Proposed Changes

1. Annual cost of services increase – 2.3%
2. Single hourly rate - \$145.23
3. Cost recovery targets – maintain at 95%/90%
4. Begin project- and permit-specific time tracking
5. Planning fees moving to deposit and hourly billing
6. Residential Building Valuation factors – additional classifications



1. Annual Cost of Services Increase

- The City typically raises fees each year based on the cost of providing the service
- Since this cost is based primarily on staff resources, the increase is calculated based on the real increase in salaries and wages in the coming year.
- For 2021, the costs of existing staff salaries and wages is projected to increase by 2.3%
- The 2.3% cost increase has been applied to all of the permit fees, including the fee schedule, building valuation table and the Building permit calculation table.



2. Single Hourly Rate

- Currently use a range of hourly rates
 - Planning Review - \$141.72/hr.
 - Building and Fire Review - \$139.05/hr.
 - Engineering Review - \$223.51/hr.
- Proposed hourly rate: \$145.23
 - Comparable to rates in nearby cities
 - Represents a “fully loaded” rate, including salaries, benefits, direct and indirect costs and overhead



3. Cost Recovery Targets

- Cost recovery targets – maintain at 2020 levels
 - Building permits and services 95%
 - Planning permits and services 90%
 - Engineering permits and services 90%
- Last fee study was conducted in 2018 - have not been able to evaluate the impact of changes made in 2019 and 2020 on cost recovery



4. Time Tracking

- Begin project- and permit-specific time tracking
- Utilize existing capabilities in TRAKiT permit tracking database to record time spent on individual project or permits
 - Rounded down to the nearest ¼ hour
 - Staff currently beta testing the system
- Data will inform analysis of staff time and total cost for providing various permits and services, as well as cost recovery
- Will also be used to generate hourly fees for planning services and site development permits

5. Planning Permit and Service Fees

- Moving to deposit and hourly billing fee basis
- Fee deposit collected at application submittal
 - Deposit amounts based on projected average number of hours required
 - Most are similar to the 2020 approved fee
- Actual hours recorded by staff will be used to reconcile the deposit
 - Any balance owed by the applicant will be due at permit issuance
 - If deposit not fully expended, refund issued at permit issuance



6. Residential Building Valuation Factors

- Used to estimate the cost of constructing a proposed project for the purpose of calculating building permit fees
- Currently use two residential building valuation factors
 - Average - \$139
 - Good - \$177
- Proposed changes to residential building valuation factors for 2021 include:
 - Elimination of the “average” classification
 - Adjustment of the “good” classification to \$180
 - Addition of the “very good” classification at \$230
 - Addition of the “very good – custom” classification at \$280
 - Addition of the “luxury – custom” classification at \$380
- Covers 3 plan review cycles and 2 inspection cycles



Next Steps

- **Nov 17, 2020:** Adopt 2021 Permit Fee Schedule
- **Q4 2020:** Beta testing TRAKiT time input / refining staff parameters
- **January 4, 2021:** Implement 2021 Permit Fee Schedule
- **2021:** Implement quantitative / qualitative reviews and collect / analyze data
- **Q2 / Q3 2021:** Provide progress reports to City Council
- **Q4 2021:** Recommend necessary changes for 2022 Permit Fee Schedule



Recommended Action

Approve Resolution No. 1593 adopting new development and construction permit fee schedule effective January 1, 2021.



Alternatives

Provide direction to staff to prepare for Dec 1, 2020 one of the following:

1. Current 2020 Permit Fee Schedule + 0.0%
2. Current 2020 Permit Fee Schedule + 2.3%
3. Current 2020 Permit Fee Schedule + TBD%
4. Proposed 2021 Permit Fee Schedule w/ TBD Charge Cap





BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5778
November 17, 2020
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 5778: Thrift Shop and Recycling Center Remodel Project	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Review the City Council's November 2, 2020 motion regarding the Thrift Shop and Recycling Center Remodel Project.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	City Council
STAFF:	Mayor Benson Wong
COUNCIL LIAISON:	n/a
EXHIBITS:	n/a
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

SUMMARY

Pursuant to City Council Rules or Procedure 4.2, Mayor Wong requested that an item be added to the November 17, 2020 City Council Meeting agenda to review the Council's decision regarding the Thrift Shop and Recycling Center Remodel Project ([AB 5766](#)), which was previously considered at the November 2, 2020 City Council meeting. The specific request, subject to discussion and approval by the full City Council, is to consider a public process (e.g. three weeks) to solicit ideas from the community about possible alternative locations to conduct Thrift Shop donations processing.

The City Council made the following motion regarding AB 5766:

Appropriate \$773,045 from the 2019-2020 CIP for Option B of the Thrift Shop and Recycling Center Remodel Project and direct the City Manager to add the project to the 2021-2022 CIP for construction.

The motion passed 5-2 (For: Anderl, Jacobson, Nice, Rosenbaum, and Wong, Against: Reynolds and Weiker). Option B is a minimal reconfiguration of the Thrift Shop with additional processing space at the Recycling Center.

RECOMMENDATION

No formal recommendation.



2020 PLANNING SCHEDULE

Item 13.

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, 2020. Items are not listed in any particular order. Agenda items & meeting dates are subject to change.

NOVEMBER 17		DD	FN	CA	Clerk 11/3	CM 11/4
ITEM TYPE TIME TOPIC		STAFF				
Budget NOPH: 10/28 & 11/4 TC Moratorium NOPH: 10/14						
EXECUTIVE SESSION						
60	To discuss with legal counsel pending or potential litigation pursuant to RCW 42.30.110(1)(i) for approximately 60 minutes. No action to be taken.					
CONSENT CALENDAR						
--	Accounts Payable, Payroll, Minutes			Various		
--	AB 5773: 2021 Legislative Platform			Jessi Bon		
--	AB 5783: Native American Heritage Month Proclamation No. 259			Benson Wong		
REGULAR BUSINESS						
15	AB 5779: Public Hearing: Town Center Moratorium 6-month extension (Ord. No. 20-26)			Jeff Thomas		
15	AB 5777: Part 1: Public Hearing: 2021 Property Tax Ordinances			Matt Mornick/LaJuan Tuttle		
15	AB 5777: 2nd and Final Public Hearing: 2021-2022 Biennial Budget			Matt Mornick/LaJuan Tuttle		
30	AB 5776: Q3 2020 Financial Status Report and Budget Adjustments (Ord. No. 20-25)			Matt Mornick/LaJuan Tuttle		
60	AB 5777: Part 2: Adopt 2021 Property Tax Ordinances; NORCOM and Utility Rate Resolutions No. 1587-1592			Matt Mornick/LaJuan Tuttle		
30	AB 5780: ARCH 2021 Work Plan and Budget Approval			Alison Van Gorp		
30	AB 5781: Adjusting Development & Construction Permit Fees Resolution No. 1593			Alison Van Gorp		
30	AB 5778 Thrift Shop Remodel Project Discussion			Jason Kintner		

DECEMBER 1		DD	FN	CA	Clerk 11/23	CM 11/23
ITEM TYPE TIME TOPIC		STAFF				
NOPH: 10/28 ABSENCES:						
STUDY SESSION						
SPECIAL BUSINESS						
CONSENT CALENDAR						
	AB 5782: Issaquah Jail ILA			Jeff Magnan		
REGULAR BUSINESS						
15	AB xxxx: Public Hearing: Small Cell Facilities 6-month Extension			Alison Van Gorp		
30	AB xxxx: Adoption of 2021-2022 Biennial Budget			Matt Mornick/LaJuan Tuttle		
45	AB xxxx: 2021 Comprehensive Plan / Code Amendment Preliminary Docket			Jeff Thomas		

15	AB xxxx: Amending MICC 2.06.010 to temporarily change the start time of Regular Meetings of the City Council (Ord. No. 20C-XX; First Reading & Adoption)	Deb Estrada
EXECUTIVE SESSION		

DECEMBER 15	DD	FN	CA	Clerk	CM
ABSENCES:					
POTENTIALLY CANCELED					

2021

JANUARY 5	DD	FN	CA	Clerk	CM
ABSENCES:					
ITEM TYPE TIME TOPIC			STAFF		
STUDY SESSION					
SPECIAL BUSINESS					
60	King County Presentation on Buildable Lands Process			Jeff Thomas	
CONSENT CALENDAR					
15	AB: xxxx: Authorization to bid for SCADA (Water)			Jason Kintner	
REGULAR BUSINESS					
30	AB xxxx: International Building & Fire Code update (First Reading & Adoption)			Don Cole/Jeremy Hicks	
20	AB xxxx: Potentially Dangerous Dog Ordinance (1 st Reading)			Bio Park	
30	AB xxxx: No Camping on Public Property Ordinance (1 st Reading)			Ed Holmes	
15	AB xxxx: City Council Liaison Appointments			Benson Wong/Deb Estrada	
EXECUTIVE SESSION					

JANUARY 19	DD	FN	CA	Clerk	CM
ABSENCES:					
ITEM TYPE TIME TOPIC			STAFF		
STUDY SESSION					
	AB xxxx: Scoping Session on Town Center Parking Study			Jason Kintner	
	AB xxxx: Recreation Recovery Planning Discussion			Jessi Bon/Jason Kintner	
SPECIAL BUSINESS					
CONSENT CALENDAR					
REGULAR BUSINESS					

EXECUTIVE SESSION					

FEBRUARY 2			DD	FN	CA	Clerk	CM
ABSENCES:							
ITEM TYPE TIME TOPIC						STAFF	
STUDY SESSION							
60	AB xxxx: Healthy Youth Initiative Program Update				Tambi Cork/Derek Franklin		
SPECIAL BUSINESS							
5	AB xxxx: Black History Month Proclamation No. XX						
CONSENT CALENDAR							
REGULAR BUSINESS							
	AB xxxx: Sustainability Report				Ross Freeman/Jason Kintner		
	AB xxxx: No Camping on Public Property Ordinance (2 nd Reading)				Ed Holmes		
EXECUTIVE SESSION							

FEBRUARY 16			DD	FN	CA	Clerk	CM
ABSENCES:							
ITEM TYPE TIME TOPIC						STAFF	
STUDY SESSION							
45	AB xxxx: Mobile Integrated Health (MIH) Services				Steve Heitman/Mike Mandella		
SPECIAL BUSINESS							
CONSENT CALENDAR							
REGULAR BUSINESS							
15	AB xxxx: Interlocal Agreement with the Mercer Island School District for School Resource Officer Services (tentative)				Ed Holmes		
EXECUTIVE SESSION							

MARCH 2			DD	FN	CA	Clerk	CM
ABSENCES:							
ITEM TYPE TIME TOPIC						STAFF	
STUDY SESSION							
60	AB xxxx: Review Financial Policies (Tentative)				Matt Mornick		

SPECIAL BUSINESS		
CONSENT CALENDAR		
REGULAR BUSINESS		
	AB xxxx: Risk & Resiliency Update	Jason Kintner
EXECUTIVE SESSION		

MARCH 16		DD	FN	CA	Clerk	CM
ABSENCES:						
ITEM TYPE TIME TOPIC					STAFF	
STUDY SESSION						
60	AB xxxx: Municipal Court Operations Analysis			Ali Spietz		
SPECIAL BUSINESS						
CONSENT CALENDAR						
REGULAR BUSINESS						
30	AB xxxx: Interlocal Agreement with the Mercer Island School District for Field Maintenance (tentative)			Jason Kintner		
EXECUTIVE SESSION						