



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5772
July 7, 2020
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 5772: City Manager's Recommendation on Modified 2020 Work Plan	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Review and approve the revised 2020 work plan.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	City Manager
STAFF:	Jessi Bon, City Manager
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Amended – 2020-2021 Department Work Plans 2. Amended – 2020 City Council Planning Session – Additional Work Items 3. 2020-2021 High Visibility Projects (Updated: February 4, 2020) 4. 2020-2021 High Visibility Projects (Updated: July 7, 2020)
CITY COUNCIL PRIORITY:	n/a

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

SUMMARY

The impacts of the COVID-19 Pandemic ("Pandemic") have greatly affected the 2020 work plan and resulted in many work items being delayed or suspended. The purpose of this agenda bill is to review the status of these work items and approve a modified work plan for the remainder of the year.

BACKGROUND

At the end of January 2020, the City Council held its annual Planning Session at the Mercer Island Community and Event Center. One of the key outcomes from the Planning Session was to draft priorities and confirm the work plan for the year. The City Council priorities are intended to guide planning and decision-making through the year and into the next biennium. This includes working towards desired outcomes on a wide range of major projects, new activities, and ongoing work items.

The following City Council priorities were adopted at the City Council meeting on February 4, 2020:

- Priority 1.** Prepare for the impacts of growth and change with a continued consideration on environmental sustainability
- Priority 2.** Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability
- Priority 3.** Implement an economic development program

In March, just one month after adopting the 2020-2021 City Council Priorities and Department work plans, the City became actively engaged in responding to the Pandemic. By mid-March, City facilities were closed to the public, many staff teams transitioned to working remotely, and the central focus of City operations shifted to the Pandemic response. The City experienced abrupt financial impacts because of the Pandemic. In response, cost saving measures were immediately implemented in a phased approach through June. All of these factors have greatly inhibited the organization's ability to deliver on planned work items, resulting in the suspension or delay of many items.

2020-2021 CITY COUNCIL PRIORITIES

The Pandemic is still affecting City operations and will likely be a driving factor for the next one to two years. Given the magnitude of the impact, the City Manager recommends amending the City Council Priorities as follows:

- Priority 1.** Prepare for the impacts of growth and change with a continued consideration on environmental sustainability
- Priority 2.** Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability
- Priority 3.** Implement an economic development program
- Priority 4.** Provide emergency response services related to the COVID-19 Pandemic

The City Council may also desire to revisit the original three priorities and propose modifications based on current circumstances. Alternatively, the City Council may choose to maintain the original priorities and revisit the discussion at the January 2021 Planning Session.

2020-2021 DEPARTMENT WORK PLANS

The current focus of the City staff is on sustaining essential services, which include the emergency response to the Pandemic, public safety, transportation, utilities, mental health services, and the internal support resources needed to sustain these services (human resources, finance, information technology, legal, communications, and facilities). Many other City services are currently functioning in a limited capacity including parks operations and the municipal court. Other operations are fully suspended, including all recreation programs and services.

Each Department prepared a 2020-2021 Work Plan that was presented for review and a brief discussion at the January Planning Session. Department work plans have since been amended to reflect the workload impacts of the Pandemic, see Exhibit 1. A status update for each work item is included in bold. The work items that are currently suspended or delayed are shaded in gray across the entire line.

The City Council decision card process at the January Planning Session resulted in the prioritization of several new work items outlined in Exhibit 2. The new work items were approved at the February 4, 2020 City Council meeting. Staff work on most of these work items was suspended in early March due to impacts of the Pandemic. A status update is included for each of the new work items and noted in bold in the attached document.

Finally, the staff included a “High Visibility Work Items” document at the February 4, 2020 City Council meeting, which provides a three-year overview of major projects, see Exhibit 3. This document has been revised to reflect the status and recommendation of these major work items, see Exhibit 4.

Staff seeks City Council review and approval of the modified work plans.

NEXT STEPS

Efforts are underway to develop the draft 2021-2022 biennial budget document, with plans to present a recommendation from the City Manager this fall. The 2020 work items suspended due to the Pandemic will be included as part of the upcoming budget discussion.

Central to upcoming budget discussions is the need to stabilize the City’s finances. At present, signs point to an economic contraction resulting from the Pandemic. The budget process will involve an in-depth review of the organizational structure and the City’s guiding fiscal policies. Staff will assess former and future staffing levels and look to the City Council for input on service prioritization.

The 2019-2020 adopted budget has been amended to include cost saving measures implemented in phases and may be further amended as new information becomes available and staff adjusts to changing circumstances. This new 2020 baseline budget will serve as the basis to forecast City revenues anticipated in 2021 and 2022. The baseline budget also serves as the starting point to evaluate costs for current service levels and ways to increase efficient and effective provision of essential services.

RECOMMENDATION

1. Amend the 2020 City Council Priorities to include “Priority 4 - Provide emergency response services related to the COVID-19 Pandemic.
2. Approve the modified 2020 work plans.