



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

**AB 6539
October 15, 2024
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6539: 2024 Work Plan Update	<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:	No action necessary. Receive report.	

DEPARTMENT:	City Manager
STAFF:	Jessi Bon, City Manager
COUNCIL LIAISON:	n/a
EXHIBITS:	1. 2023-2024 Work Plan Matrix 2. 2023-2024 Biennial Budget Work Plans by Department
CITY COUNCIL PRIORITY:	4. Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community.

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

EXECUTIVE SUMMARY

The purpose of this agenda item is to provide a written update to the City Council on the status of major work items from the 2023-2024 Biennial Budget (see Exhibit 1).

BACKGROUND

As part of the year-long process leading up to the adoption of the biennial budget, staff work with the City Council to develop priorities that guide the budget process and the City’s biennial work plan.

The City’s work plan is developed to meet legal (federal, state, and local) requirements and achieve the City Council’s priorities. On the following page is the adopted City Council Priorities and primary areas of focus for the 2023-2024 biennium:

2023-2024 City Council Priorities

Priority 1	Develop data-driven economic development and retail plans and strategies to activate Town Center and other business areas.
Priority 2	Sustain and enhance our natural environment, especially parks and open spaces, to benefit this generation and others that follow.
Priority 3	Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks.
Priority 4	Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community.

In 2021, staff created a streamlined work plan tool to better visualize and track major work items, now commonly referred to as the Work Plan Matrix (see Exhibit 1).

Major work items from the 2023-2024 biennium, as well as any work items and projects that carried over from the previous year, have been incorporated into the Matrix. The last update to the 2023-2024 Work Plan was provided at the March 1, 2024 Council Planning Session ([AB 6415](#)).

The full list of 2023-2024 Work Plan Items, as adopted in the biennial budget, is available in Exhibit 2.

ISSUE/DISCUSSION

2023-2024 Work Plan Highlights

Major Issues/Key Areas of Focus:

- The entirety of the City’s Work Plan for 2023-2024 has been affected by the closure of City Hall, which has impacted every department across the organization. The City Manager’s Office is managing the City’s response to the closure of the building and is sharing long-term facilities planning changes and updates with the City Council and staff. The City continues to track expenditures, manage obstacles created by the closure, and work on solutions to the City Hall closure and future facility needs.
 - Design work is underway for the new Public Safety and Maintenance Building.
 - The City Attorney’s Office is continuing to work with the City Manager’s Office on real estate matters that were triggered and accelerated by the closure of City Hall.
 - The closure of City Hall in April 2023 paused the Comprehensive Facilities Assessment for re-evaluation. Facility assessments were later completed on the Public Works and Maintenance building, the Annex building at the Mercer Island Community & Event Center, and City Hall. The facility assessment is nearing completion on the Luther Burbank Administration building and is expected to be complete by the end of 2024.
 - The City Clerk’s Office has hired an experienced Records Business Systems Analyst to manage records management, destruction, and scanning for all City Hall records. Since April, 52 boxes of over 700 files have been reviewed and either disposed of or digitized for archival purposes.
- On April 3, 2024, the City of Mercer Island learned of a leaking underground Seattle Public Utilities (SPU) water pipe. The City and SPU worked through the spring and summer to maintain water supply levels while the City received water on a backup line for 120 days. SPU installed 1,300 feet of flexible liner into the leaking pipe, and the pipeline was put back into service in early August 2024.

Capital Project Highlights:

- Island Crest Park North Field turf and South Mercer Playfields turf replacement and ballfield backstop project was completed this spring.
- After 18 months of electrical equipment production, all materials for the **sewer SCADA project** have been received and programming has been completed. Once all components have undergone factory acceptance testing, installation of the sewer SCADA system at the 17 pump stations is ready to begin. Staff have received the necessary shoreline and electrical permits for each site, and are continuing work on one utility easement modification, which is not expected to delay work. Construction is scheduled to begin in October 2024 and will be completed in Q3 2025.
- Work on the north water reservoir coating replacements was substantially complete at the end of September. Work will begin on the south water reservoir this winter with completion in April 2025 before the start of water demand season. A significant change order was executed to enhance the surface preparation for the north tank roof. This will double the life expectancy of the new roof coating. A similar change order will be executed for the south tank roof.
- The 2006 Luther Burbank Park Master Plan identified the 1928 **Boiler Building** for reuse as a non-motorized watercraft facility. Construction began in February 2024 on the Phase 1 improvements including seismic retrofits to stabilize the building, installing a new roof membrane, repairing masonry, and renovating the restroom. This work is expected to be substantially completed by the end of October 2024.
- The **water meter replacement** phase of the AMI System Implementation began in March 2024 and was completed in early August 2024. Water use data from many of the new meters is being read by the two data collectors that were installed and activated this summer. This fall staff will continue work related to installation of the four remaining data collectors. Staff are also working on implementation of the new customer service portal. Once these parts of the system are implemented, all City water customers will be able to access their hourly water use information and automatically receive leak notifications. Finance's Utility Billing division has been integral in supporting this work.
- The 2022 PROS Plan designates Luther Burbank Park as a preferred site for converting tennis courts to pickleball, leading to City Council's approval of the **Sport Courts Renovation** project in the 2023-2024 Budget and Capital Improvement Program. Work began on May 21, but significant subgrade failures were discovered in July, causing a suspension of work on July 12. Soil tests revealed inconsistent soil strength, leading to the decision to fully remove the old asphalt pavement and underlying weak soils. The plan was revised to apply 3 inches of new asphalt in two lifts for enhanced surface durability and planarity. With City Council approval of a significant change order, construction resumed in September. with completion expected by mid-October. Acrylic surfacing will be applied in Spring 2025 after the new asphalt cures over winter, with temporary striping allowing the courts to open in mid-October. The City is planning for a ribbon-cutting in 2025.

Citywide Plans and Policy Updates:

- YFS contracted with BERK Consulting to perform and update the 2019 **Community Needs Assessment**. The assessment will provide YFS with an understanding of how the population of Mercer Island has changed, particularly given the COVID-19 pandemic, to inform current programming and identify where future needs are likely to materialize. BERK has completed the project, and staff will be presenting the results at a future City Council meeting.

- Community Planning and Development presented the Planning Commission’s recommendations for the periodic update of the **Comprehensive Plan** to the City Council on July 16, 2024. City Council review of the plan is underway, and adoption is now anticipated in November 2024.
- HB 5290 fully takes effect on January 1, 2025. This legislation is related to the permit intake and review process and requires several procedural and administrative changes to the City’s permitting processes. CPD staff are preparing updated interim regulations for City Council review and adoption in November-December 2024.
- CPD staff are analyzing policy options related to complying with HB 1110 (middle housing) and HB 1337 (ADUs). Staff will prepare draft interim regulations for City Council for review and adoption prior to the June 2025 deadline for compliance.
- In May, the City Council adopted the updated **cost allocation policy**. This initiative was stewarded by the City Council Ad Hoc Finance Committee. The new allocation policy is being incorporated into the 2025-2026 biennial budget.

Technology Highlights:

- Work to implement phase 1 of the new **financial management software** system is on track. The core project team is in the configuration and testing phase with a go-live date using core financial software systems January 2025. The remaining subsystems that will improve how the City receives payments for services and business and occupation tax payments is scheduled to be implemented December 2025.
- Recreation staff have fully implemented **Civic Optimize**, a software tool which will enhance the permit and rental process, athletic field rentals, and park permit requests. Utilizing Civic Optimize and other new procedures, staff have been able to respond and confirm contracts for most rentals within 24 hours. Previously, turnaround times could take 3-5 business days.

Operational Updates:

- Work continues with the City Council to invest the **American Rescue Plan Act (ARPA)** funds before the December 31, 2024 deadline to either spend or encumber remaining funds for use until December 31, 2026. Work is well on track to meet these deadlines set by the US Treasury Department. As part of the second quarter of 2024 financial status update, staff presented recommendations to the City Council for how to invest the remaining ARPA funds.
- The Finance and Community Planning and Development Departments effectively established a new special revenue fund. All revenues and expenditures tied to development services will be tracked to the **Development Services Fund**, which will be presented as part of the 2025-2026 biennial budget and is incorporated into the City’s new financial management software systems.
- The City Council Ad Hoc Finance Committee met a few times in the first half of 2024 to review the proposed **Compensation Plan for Non-Represented Employees**. The Plan was then adopted by the entire City Council in June. The Plan details the City’s compensation philosophy, provides a new position classification system, and the first ever salary schedule for non-represented employees. In July, employees were notified of their new classifications and salaries and new standardized job descriptions were rolled out for each position.
- Mercer Island Police have met with Sound Transit and other agencies to review protocol and response plans for the new light rail station. Police plan to utilize the Town Center officers to provide a visible police presence in Town Center and the surrounding transit facility.

- In spring 2024, communications staff worked with a consultant to administer the **2024 community survey** to help inform the 2025-2026 biennial budget process. The survey results were presented to the City Council on June 4 showing an overall positive satisfaction rating from the community. Ninety-four percent (94%) of the residents surveyed, who had an opinion, rated the community of Mercer Island as an “excellent” or “good” place to live. Other areas that respondents were especially satisfied with include overall quality of life in the City (92%), Mercer Island as a place to raise children (92%), and overall feeling of safety in the City (91%).
- Eastside Fire and Rescue is continuing work towards improving the Washington Surveying & Rating Bureau’s rating for Mercer Island. The most recent evaluation was completed in Q4, and EFR was notified in April 2024 that Mercer Island received an overall rating of 3.01. Although this is a good rating, WSRB does not round ratings up or down, so EFR will maintain the rating of 4 until the next evaluation with the intent to lower insurance costs for Mercer Island residents.
- The 2023 Fire work plan included training six members of the then-Mercer Island Fire Department in wildland firefighting (known as a Red Card), and this training was completed. These six members are now part of Eastside Fire and Rescue’s 35-member wildland team, trained in wildland incident command, wildland-urban interface firefighting, and hazard tree mitigation.
- Eastside Fire and Rescue also secured seven additional replacement defibrillator units through a King County EMS grant, incurring no cost to the City.
- **MICEC rental occupancy rates** have surpassed 2024 goals. As of August 1, the MICEC has booked 2,019 rental bookings for over 8,000 hours through year end. This already surpasses 2023 hours by over 1,000 hours.
- In early 2024, YFS contracted with Hopelink to bring their Mobile (food) Market to the Island to restart distribution of fresh and shelf stable food items to Islanders facing food insecurity. This change also reduced the unsustainable cost of the food card program and the waste inherent to food card distribution (lost cards, cards with unused balances, etc.). Currently, YFS is tracking up to 100 visits every two weeks to the **Hopelink Mobile Market**, has established an agreement with Mercer Island Farmer’s Market to offer “Market Bucks” to supplement summertime food demand (without school lunches/meals, some families face extra demand), and refers individuals or families who need food delivery or more food for larger families to Hopelink’s brick and mortar location in Bellevue, Washington.
- The **Mercer Island Thrift Shop** is on track to meet its goal of increasing revenue by 10% in 2024.

NEXT STEPS

Staff prepared the draft 2025-2026 Work Plan which will be reviewed and adopted by the City Council during the 2025-2026 Biennial Budget process later this fall. The next update to the work plan is scheduled for Q1 2025.

RECOMMENDED ACTION

Receive report. No action necessary.