

Question & Answer Matrix
October 15, 2024 - City Council Meeting

Log #	AB No.	Received From	Question	Staff Response
1	6539	Councilmember Weinberg	<p>The 2nd bullet point on page 5 of the agenda bill indicates that Mercer Island received a good overall WSRB rating of 3.01. A couple questions:</p> <ol style="list-style-type: none"> 1. Would you please provide a pointer to the report describing the factors used to calculate this rating and which of those factors represent our strengths vs opportunities for improvement? 2. Would you please advise as to what actions, if any, City Council can take to assist and support EFR in their continuing efforts to improve this rating? 	<p>The WSRB rating is based on the following four fire protection capabilities in the community:</p> <ul style="list-style-type: none"> • Water System • Emergency Communication System • Fire Safety Control (Fire Prevention) • Fire Department (Fire stations, fire apparatus, and personnel training). <p>For more information click here.</p> <p>The City Council should generally be aware of the criteria listed above.</p>
2	6539	Councilmember Weinberg	<p>The 3rd bullet point on page 5 of the agenda bill talks about wildland fire “red card” training. I do have a couple questions about what happens when a firefighter participates in off-island training (be it red card or other training):</p> <ol style="list-style-type: none"> 1. Does EFR maintain the full contingent of 7 on-island on-duty personnel, or does such off-island training sometimes result in a temporarily reduced on-island presence of fire personnel? 2. If it is the latter, did the MIFD follow the same practice? 	<p>There is no reduction in staffing when a firefighter is in training off-island. Minimum staffing levels are maintained. MIFD followed the same practices.</p>
3	6539	Councilmember Weinberg	<p>Question: Does the End date column generally indicate the <i>currently</i> planned End date or the <i>originally</i> planned (i.e. baseline) End date?</p>	<p>The end date is based on the current status of the work item.</p>
4	6539	Councilmember Weinberg	<p>The 1st Project listed in the Administrative Services section of the Work Plan shows Progress 50%, Start Jan-21, and End Sep-24. Assuming those data points are accurate, should we expect the next update of the Work Plan to contain a new target End date?</p>	<p>Since this item encompasses many policy updates, it has been added to the 2025-2026 work plan as well. In future iterations of this document, the completion or “end date” will likely be Q4 2025 or Q1 2026.</p>

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5	6539	Councilmember Weinberg	<p>The 3rd Project listed in the Community Planning and Development section – and its corresponding Projects at the end of the City Attorney’s Office section and the end of the City Manager’s Office section – shows Progress 10% while 70% of the Project’s duration (where Duration = End – Start = 30 months) has elapsed. A couple questions:</p> <ol style="list-style-type: none"> 1. Is this due to CPD’s necessary focus in the last 21 months on the Comp Plan Periodic Update? 2. Do we still expect to be able to perform the remaining 90% of this work in the 30% of the time remaining, or should we expect this to continue into the 2nd half of 2025? 	<p>Since the spring of 2023, all available general funded CPD planning staff have been dedicated to the completion of the 2024 Comprehensive Plan periodic update and/or other City Council directed legislative priorities (i.e. Interim temporary use regulations).</p> <p>In addition to this outstanding work program, there is a waiting list of items the City Council has chosen to docket over the past two years and a growing number of interim regulations which have been adopted to have the City in compliance with various mandates from the Washington State legislature.</p> <p>It is not reasonable to expect 90% of the remaining work to be completed in 30% of the time remaining, especially considering there is a distinct possibility additional mandates related to residential regulations and development requirements may be coming in the 2025 legislative session.</p>
6	6539	Councilmember Weinberg	<p>The 5th Project in the Community Planning and Development section, which starts with “Index and digitize old records...”, ends with the words, “This work is ongoing.” A couple questions:</p> <ol style="list-style-type: none"> 1. In this context, does the word ongoing essentially mean that this Project is really a <i>Service</i> which we plan to provide on a continuous and indefinite basis? 2. If so, should we consider listing a different set of key performance indicators for such Services instead of Start, End, and Progress? 	<p>No, this is an ongoing project that has a definite end. Eventually staff will have indexed and scanned all old paper records that are stored in City Hall. This is an active project being managed by the Records Team.</p> <p>There are continuous and indefinite records work that CPD does and will continue to do, but that is separate from this project to digitize all old paper records.</p>

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7	6539	Councilmember Weinberg	<p>The 6th Project in the Community Planning and Development section, which starts with “Analyze and implement measures to reduce...”, has Progress 40% while it’s 87% of the way through its 24-month duration. A couple questions (similar to question 5 above):</p> <ol style="list-style-type: none"> 1. Is this due to CPD’s necessary focus in the last 21 months on the Comp Plan Periodic Update? 2. Do we expect to be able to perform the remaining 60% of this work in the 13% of the time remaining, or should we expect this work to continue into 2025? 	<p>This work should be substantially complete by 12/31/2024 with the adoption of interim regulations responsive to SB 5290. Should these interim regulations be adopted in a timely fashion, the only remaining work will be to complete the adoption of permanent regulations sometime in the next few years. NOTE: Renewal of the interim regulations may be required depending on when the process for the permanent regulations is scheduled.</p>
8	6539	Councilmember Weinberg	<p>The 1st Project in the Municipal Court section, which starts “Conduct court security assessment,” has Progress 100% and the word “Ongoing” in the End date column. In future Work Plans, should a Project such as this be split into two parts, one listing the project part (which has a true start and end) and one listing the ongoing service?</p>	<p>This item will be dropped from the work plan matrix in 2025-2026 since the project is now complete.</p>
9	6539	Councilmember Weinberg	<p>The 1st Project in the Police Department section talks about preparing “response protocols and pedestrian and vehicles safety considerations” relating to the new light rail station. Residents occasionally express their concerns to me about the safety of the new light rail station. Does the Police Department have a document, even if in draft format, which summarizes the aforementioned protocols and pedestrian/vehicle safety considerations that I could preview?</p>	<p>If you have questions about this work item, please reach out to Chief Sutter to schedule a meeting to discuss your questions.</p>

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10	6539	Councilmember Weinberg	<p>The 4th Project in the Public Works section, relating to SCADA, shows an initial completion target of Q4 2023 and a current target of Nov-25. A couple questions:</p> <ol style="list-style-type: none"> 1. Was the change in the End date due primarily to supply chain issues? 2. Am I correct in assuming that the costs of a project can effectively “pause” while waiting for the delivery of a critical part? In other words, a significant increase in a project’s duration doesn’t necessarily result in a significant increase in the project’s cost? 	<p>The change in end date was primarily driven by the long lead times on the electrical components of the City’s 17 sewer pump stations. Due to material supply shortages, construction on the sewer side of the project was delayed.</p> <p>The construction of the project was publicly bid and the contractor, Valley Electric was awarded the project as part of AB 6190. The current lead times during bidding and procurement were estimated at 36 and 44 weeks and the costs associated with this procurement were included in the construction contract. The delay was anticipated and there was no significant increase in costs due to this delay.</p>
11	6539	Councilmember Weinberg	<p>The 6th Project in the Public Works section, relating to the Luther Burbank Docks, shows Progress 30% and End date of Dec-24. Does the End date need updating?</p>	<p>Yes, the end date for the Luther Burbank Docks project needs to be updated. The correct end date is December 2026, although some project work may extend beyond the biennium. This will be revised in future versions of the work plan.</p>
12	6539	Councilmember Weinberg	<p>The 7th Project in the Public Works section, relating to the Clarke and Groveland Long-Term Plans, has Progress 25% while we’re 67% of the way through its 46-month duration. I realize that some projects progress in big jumps rather than a steady pace; is this such a project? That is, do we plan to complete the remaining 75% of the work in the project’s remaining 15 months, or should we expect the End date to change?</p>	<p>Yes, the end date to develop a joint park improvements plan for Clarke and Groveland Beach Parks has shifted and is now anticipated to be completed by 2026. The City engaged the Berger Partnership last year to lead this effort and began comprehensive site analysis to understand the existing conditions of each park. To date, the Berger team has completed the following background work:</p> <ul style="list-style-type: none"> • Assessed in-water structures • Completed full topographic surveys • Delineated the ordinary high watermarks and completed bathymetric surveys, which are maps of underwater features and lake depths • Investigated critical areas, geologic hazards, and surface soil • Audited accessibility at restroom facilities

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				The team also launched a community survey this fall to learn more about how residents currently use these waterfront parks. All of this background information will inform the scope of the joint park planning process, which will include more public engagement and is anticipated to begin in Q2 2025. The planning phase of this project was included as project number 90.20.0013 in the 2025-2026 CIP.
13	6539	Councilmember Weinberg	The 10 th Project in the Public Works section, relating to the King County sewer and MITI projects, has the word “Ongoing” in the End column. For future Work Plan updates, could we find out what the current furthest-out target end date is for the KC and ST projects and put that date in the End column?	<p>This is not a City project and is included here for reference given the coordination required on the City side.</p> <p>Construction is anticipated to conclude in 2025, however ongoing maintenance for landscaping, and coordination of that landscaping is expected to continue through 2026/2027.</p>
14	6539	Councilmember Weinberg	For the 12 th Project in the Public Works section, which starts with “Complete costing analysis, review interlocal agreements,” is the 90% of work remaining expected to be completed in the 43% of the remaining project duration, or should we expect the End date to change on this one?	This work has slid into the next biennium. The completion date will be updated with the next iteration of this document. The timeline for completing this work depends on negotiations with the parties to the ILAs. We hope to make considerable progress on this work in the next biennium.
15	6539	Councilmember Reynolds	<p>The AB states: “... 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”. This gives rise to a series of questions:</p> <ol style="list-style-type: none"> 1. Is it a 1-5 scale or 0-100 or.....? 2. Is a high number good or bad? 3. What was the unrounded result before joining EF&R? 4. You say they do not round, but it seems we rounded up to 4? Or is the idea that we could have to have been 3.0 or below to be 	<p>The scale for the WSRB is from 1-10 with 10 being no fire protection and 1 being highest level of protection. The lower the number, the better.</p> <p>Mercer Island’s previous rating number was 3.06 so we improved and as a reminder it is based on the following four categories:</p> <ul style="list-style-type: none"> • Water system • Emergency Communication • Fire Safety Control (Fire Prevention) • Fire Department (Fire stations, fire apparatus, and personnel training).

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			<p>moved to 3? 5. What is the rating for other EF&R cities? Bellevue? Seattle?</p>	<p>Yes, they rounded up but not down basically. We would have needed to be at 3.0 or lower to get to a 3.</p> <p>Currently, Seattle is the only protection class 1 in the State of Washington and Bellevue currently has a protection class of 2.</p> <p>EFR cities' ratings are as follows.</p> <ul style="list-style-type: none"> • Carnation -4 • Northbend-3 • Sammamish-4 • Woodinville-3 • Issaquah-4
16	6539	Councilmember Reynolds	<p>What share of these are for Mercer Island residents? How does total booking revenue compare to last year?</p>	<p>Below are some annual stats on MICEC facility booking for comparison. Please note that for rental bookings at the MICEC the residency percentage reflects that of the business, organization, or individual making the booking, not the residency of the attendees.</p> <p>2019: Bookings- 1,600 (+220 City Business), \$611K, 32% res. 2022: Bookings- 1,041 (+256 City Business), \$425K, 28% res. 2023: Bookings- 1,785 (+554 City Business), \$608K, 30% res. 2024: Bookings- 1,859 (+321 City Business), \$806K, 29% res. *2024 bookings are Y-T-D. **City Business (not included in residency %) is facility usage by City Departments in which the MICEC staff provides a similar level of service to that of external rentals. Use of the Slater Room (since the City Hall closure) by the City Council and Departments is not reflected, as it is coordinated and booked through a separate process.</p>

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17	6551	Councilmember Reynolds	AB 6551. Can you please provide the “common name” and approximate acreage for each of the open space zones listed on the zoning map (e.g., Pioneer Park, Gallagher Hill, Mercerdale Hillside, etc.)	Please see the PROS Plan for this information. The list of open space properties with acreages is on page 33 and the full map is on page 35.
18	6551	Weinberg	Does the definition of Passive Recreational Uses include stairwells and bridges? As these existing structures are exposed to the elements, they will all eventually need restoration.	Yes.
19	6552	Councilmember Reynolds	Please update your table of ARCH HTF contributions by city as shown in your 9/19/2022 email to me in response to my question about AB 6155.	This information will be shared with the City Council when it is ready. ARCH has been contacted requesting this information.
20	6553	Councilmember Reynolds	Why did Kenmore pull out of the Plymouth project? Why did Redmond pull it in house rather than just reallocating the cost of Plymouth?	The Kenmore City Council voted not to move forward with the project: City of Kenmore Press Release The project is being relocated to property owned by the City of Redmond and will be developed and operated by Plymouth Housing.
21	6555	Councilmember Weinberg	The Parks & Rec Revenues section of the budget indicates that 2024 P&R revenues were expected to be 9% below budget due to a decline in summer program enrollments and special event sponsorships. I’ve heard from a couple members of the Rockers, Mercer Island’s over-50 softball team, that they are having trouble scheduling games on Mercer Island because the softball fields are rented out to summer camps. Could you shed more light for us on how the fields are reserved? Is it a purely first-come-first-served basis, a highest-bidder basis, or is there some more nuanced approach which ensures we’re serving the needs of both younger and older generations of Mercer Island residents?	Our records show that the Rockers received all of the bookings they requested for spring/summer 2024, and that summer camps were scheduled around the Rockers requests and usage. (This year we did have the ADP Trail Improvement Project that limited access in August-Sept, but their season ends before that). Athletic field booking is informed by the “ Athletic Facilities Allocation and Use Policy ”. This policy provides guidance for the priority and booking of City managed athletic fields. We offer “Priority Booking Periods” three times a year, where renters submit requests. Staff allocate bookings based on priority tiers and policy

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				<p>guidelines for fairness. After this period, remaining spaces are available on a first-come, first-served basis until season-end.</p>
22	6555	Councilmember Weinberg	<ol style="list-style-type: none"> 1. Could the EV plan be completed in less time if we included funds to augment our Sustainability staff with an LTE? 2. If so, how much LTE would you recommend we authorize? (1.0? 0.5?) 	<p>The EV Charging Plan schedule was developed based on a considerable body of work and phased appropriately given current resources and other priorities. We have not analyzed what it would take to accelerate the project, which includes consulting time and PSE support and may also require adjustment of the schedule for other work items.</p> <p>If the majority of the City Council would like the project to accelerate, we would need a motion to direct the staff to prepare that analysis.</p>
23	6555	Councilmember Reynolds	<p>AB 6555 Exhibit 2 Page 9 shows a fairly material drop in interest earnings in 2025 relative to 2024 forecast. What is the breakdown of the reasons for forecasting the drop between the effect of reduced interest rates and the effect of reduced invested assets? I think you stated that 5.43 % is LGIP as of Q2. What is it now? What is the rationale for forecasting a drop to 3.75? That would be a fairly massive rate cut. What is the average term to maturity or weighted average life or (best of all) duration of the LGIP assets?</p>	<p>Many factors influence the City’s overall interest earnings, the three primary factors being the City’s total principal amount invested in the Local Government Investment Pool (LGIP), the average earnings rate applied to the principal, and the portion of that principal that ties to the General Fund.</p> <p>Based on the mix of historical LGIPs holdings, the average earnings rate has practically mirrored the federal funds rate. This trend is projected to continue in the near term.</p> <p>On September 18, the Federal Reserve cut the federal funds rate 0.50% while indicating more rate reductions are likely. This change in monetary policy has already rippled through to the LGIP’s earnings rate.</p> <p>On September 1, the LGIP true 30-day yield was 5.42%. On October 12, the true 30-day yield dropped to 5.08%. Staff assumed the average earnings rate on the City’s principal investments for 2024 will be 5.15%.</p>

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				<p>On this basis, staff assume the City’s average principal holdings through 2025 will be \$93.5 million, of which the General Fund will make up 40%, and the average LGIP earnings rate applied to the total principal through 2025 will be 3.75%. The principal holdings will notably increase in 2025 (the City’s average principal holding in 2024 is projected to be \$75.5 million) due to the infusion of LTGO bonds in the Water Fund.</p> <p>To provide for safety and liquidity of funds, the LGIP policy is to invest in only those high quality, short-term instruments authorized by statute. Investments are restricted to fixed rate securities that mature in 397 days or less, except for securities utilized in repurchase agreements and U.S. government and supranational floating or variable rate securities which may have a maximum maturity of 762 days, provided they have reset dates within one year and that on any reset date can reasonably be expected to have a fair value that approximates their amortized cost.</p> <p>The LGIP portfolio’s weighted average maturity will not exceed 60 days, and a weighted average life will not exceed 120 days. The State Treasurer has the sole responsibility to set the investment strategy for the LGIP.</p>
24	6555	Councilmember Reynolds	<p>AB 6555 Exhibit 2 Page 9 shows a huge drop in License, permit, and zoning fees from 2024 forecast to 2055 (3948 to 244). Please help me to understand this, and, in particular, to reconcile the latter figure to the statement a few pages later that “The revenue projection for permit and land use fees in 2025 is \$3.3 M, and \$3.4 M in 2026”. Also please reconcile this to the 4.2 and 4.3 M shown in figure 11.</p>	<p>Per Figure 1, the drop in license, permit, and zoning fee revenues from 2024 to 2025 and 2026 is due to the creation of the Development Services Fund, as portrayed in Figure 11. The remaining revenues in 2025 and 2026 in Figure 1 tie to business license revenue and revenues from Fire permit activities. Both revenues remain in the General Fund, with the latter offsetting the costs of Eastside Fire and Rescue services.</p> <p>The 2023-2024 Work Plan outlined the creation of the Development Services Fund to account for the revenues and expenditures specific to land use, development engineering, and development permitting.</p>

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				<p>Previously accounted for within the General Fund, this new special revenue fund separates these restricted permit and land use functions into a separate fund.</p> <p>Figure 11 includes permit fee and land use fee revenues, when combined amount to \$3.3 M in 2025 and \$3.4 M in 2026. Once interfund transfers from the General Fund are included in 2025 and 2026 to support non-development service-related work in the Community Planning and Development department (e.g., administration and long-term planning), the resulting revenues in the Development Services Fund amount to \$4.2 M in 2025 and \$4.3 M in 2026.</p>
25	6555	Councilmember Reynolds	Budget Proposal 2: How is this money to be spent? Consultants? Printing costs? Additional part time staff? Software?	The funds proposed to be allocated for communications and public relations support will likely be used for outside consultants, similar to the method we've employed this year related to our communications response on the water emergency. We may also evaluate the potential of an internship, but it would be a limited scope, likely summer only.
26	6555	Councilmember Reynolds	Budget Proposal 5: I see that going from 95% to 100% increases 2025 costs by \$587K. Is this linear? For example, if we went from 95% to 97%, would the impact be $(97-95)/(100-95) = 2/5$ of the cost of going from 95 to 100? If not, why not, and what would the cost be at 1% increments from 96-99?	<p>The increase between percentages is not perfectly linear due to the nature of compounding percentages being applied to forecasted wage and benefit expenditure costs. However, each percentage change represents an increase within a few hundred dollars of the prior scenario.</p> <p>For the sake of discussion, it is best to assume that these percentage scenarios are equal in the burden of increased expenditures when moving between them. Each percentage increase represents a change of about \$117,400 in 2025.</p>

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Log #	AB No.	Received From	Question	Staff Response
27	6555	Councilmember Reynolds	Page A-9: What drives the relatively huge increase from 2023 to 2024 in revenues for lines 343 (Cap Imp Fund) and 402 (Water fund)	<p>In 2024, the Capital Improvement Fund is projected to receive significant interfund transfers to support ongoing capital work from the Street Fund (REET-2 reserves) and the ARPA fund.</p> <p>In September 2024, the City Council authorized the issuance of bonds to fund critical improvements to the City's water utility infrastructure.</p> <p>The ordinance authorizes the issuance of one or more series of Limited Tax General Obligation (LTGO) and refunding bonds, with an aggregate principal amount not to exceed \$29 million.</p> <p>The bond sale is tentatively scheduled for the week of October 21, 2024, with bond closing and delivery of proceeds expected around November 7, 2024.</p>
28	6555	Councilmember Reynolds	Page B-3: Why do beginning fund balances not tie to prior year ending fund balances?	<p>Ending fund balance from year one does match the beginning fund balance in year two.</p> <p>In Budget by Fund recap, the Beginning fund balance in the following year is divided between portions of the fund balance that are reserved (based on state law or prior City Council actions) versus unreserved and appropriated for spending.</p> <p>For example, on B-3, the 2023 General Fund ending Balance is \$15,748,916. In 2024, the beginning fund balance is \$9,644,066 (appropriated) + \$6,104,850 (reserved) = \$15,748,916.</p>
29	6555	Councilmember Reynolds	Page B-3: The last column in the middle of the page has a "14-15" and "15-16". I assume these are typos	<p>These are typos. These will be revised in the final adopted budget.</p>

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Log #	AB No.	Received From	Question	Staff Response
30	6555	Councilmember Reynolds	Page B-4: What causes salaries and wages to drop by about 7 MM and contractual services to increase by about 6 MM from 2024 to 2025? I thought this would be fire, but wouldn't that have been a year earlier? And I cannot figure out why the drop is more than the increase.	<p>The decrease in General Fund salary and benefit estimates is tied to the EF&R fire contract and the creation of the Development Services Fund.</p> <p>With the creation of the Development Services special revenue fund, related expenditures have moved from the General Fund to the new special revenue fund.</p> <p>While the EF&R contract began in 2024, the 2023-2024 budget as adopted was not adjusted at the line-item level to reflect the change in how actual expenditures would flow. The 2025-2026 preliminary budget includes only contract services for the EF&R contract.</p>
31	6555	Councilmember Reynolds	Why is there no budgeted revenue for 1% for the arts in 2025 and such a small amount in 2024 with all this CIP work happening?	<p>Finance applies the 1% to "new construction" (as opposed to maintenance) of Streets and Parks capital projects. Utility projects were determined to be ineligible for 1% in the 2013 Audit.</p> <p>There is only one project in 2025-2026 that requires funding from the 1% for the Arts Fund: 90.25.0034 NMW Sidewalk Improvement. The 2026 budget is \$172,883. So, \$1,729 (rounded to \$2,000) is budgeted as a revenue in 2026 to the 1% of the Arts Fund for this project.</p> <p>All projects that involve new construction of street and parks are in the design phases of the projects over the next two years, which include 90.20.0012-ADP Lid A Playground and 90.20.0017-Hollerbach SE 45th Trail System.</p> <p>Staff will closely track project activity in the 2027-2028 biennium and appropriate 1% Arts Funds as the projects move to construction.</p>

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32	6555	Councilmember Reynolds	Do you have a separate breakdown of thrift shop revenue and expenses?	Thrift Shop revenues and expenditures for 2025-2026 are separated in the Youth and Family Services Fund recap on page B-10.
33	6555	Councilmember Reynolds	Page B-11. Is the big increase in salaries and wages from 2024-2025 related to the class / comp adjustments?	<p>Partially. The budget also assumes a cost-of-living adjustment (COLA) of 4.2% in 2024 and 3.5% in 2025. In a given fiscal year, COLA is based on the average of the first six months of CPI-W for the Seattle region in the prior year.</p> <p>The estimates also include an additional 1.0 LTE YFS Counselor position that is fully funded by an agreement with the MI Boys & Girls Club.</p>
34	6555	Councilmember Reynolds	I see a 2026 budget ending fund balance for 2026 for YFS fund. Please remind me, according to our policy, what is the target fund balance?	<p>Per the City's Financial Management Policies, the YFS Fund Balance will be maintained with YFS revenues at a target threshold of six-months of average monthly YFS expenditures, evaluated each biennium. The Fund Balance is intended to provide adequate reserves to address the asynchronous nature between the City's biennial budget and the Mercer Island School District's academic year.</p> <p>Staff project the target fund balance will be met at the end of 2024. Fund balance reserves, however, and a \$350,000 annual contribution from the General Fund are required to bridge the YFS structural deficit through the 2025-2026 biennium.</p> <p>While there remains cash in the fund at the end of 2026, those dollars are restricted for specific uses including Emergency Assistance and the terms of the national opioid settlement agreement. See table on page B-11 for the breakdown of restricted and unrestricted elements of YFS ending fund balances.</p>

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35	6555	Councilmember Reynolds	Page B-11: I presume the opioid settlement funds have to be used for relevant expenditures. What are these funds being used for? Do we need a separate fund for these, as we do for ARPA?	In November 2023, as part of the mid-biennial budget review, the City Council appropriated Mercer Island’s share of the Opioid Settlement funds to the Healthy Youth Initiative (11/21/23 Minutes). This appropriate meets the requirements for use of these funds These resources will be tracked in the YFS Fund. A separate fund is not required. More information about eligible uses of these funds can be found at the King County Opioid Abatement Council .
36	6555	Councilmember Reynolds	Page B-12: The gun buyback program is shown in 2024, but it has not happened yet, and I doubt it will this year. Why does it still show in the forecast?	This will be revised in the final budget document.
37	6555	Councilmember Reynolds	Page B-13: What is the rationale for maintaining a Dev Services Fund balance of \$1.4 MM each year?	<p>In discussions between Finance and the Community Planning and Development department, staff elected to set the target funding threshold for the new Development Services Fund to equal six-months of average monthly expenditures (\$1.8 - \$1.9 million over the next biennium), evaluated every two years.</p> <p>The operating reserve is not intended to be maintained each year. It is meant to stabilize operations during economic downturns and invest in operational improvements. A significant portion of the current reserve will be required to invest in new permit-related technology over the next several years (e.g., new permit software and associated technology).</p> <p>This aligns with similar operating reserves and the direction set in the City’s financial management policies.</p>
38	6555	Councilmember Reynolds	Page B-15 and B-16: Any reason not to release the fund balance in the bond redemption funds?	The remaining fund balance in the Bond Redemption Funds can be released back to the General Fund. It is a City Council policy decision whether to release the remaining funds.

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				<p>Debt Service Funds account for the accumulation of resources for the principal and interest payments on general obligation bonds.</p> <p>The remaining balance in Funds 208 and 239 are left over resources after the City paid down the principal and interest from previous general obligation debt. These remaining resources can be allocated to future general obligation debt service payments.</p>
39	6555	Councilmember Reynolds	Page B-17: If we had an idea for a capital project to increase parking in TC, is this where the money would come from? Would it need to be for auto parking, or could it be used for bicycle parking?	<p>The Town Center Parking Fund was established to track the costs associated with creating Long Term Regional Parking in the Town Center, namely the project that is happening on the former Tully’s site.</p> <p>New parking projects should be funded from the Capital Improvement Fund.</p>
40	6555	Councilmember Reynolds	Page B-21: I notice the Y&E fund continues to increase. Why? What is the target fund balance for this fund?	<p>The Technology and Equipment Fund does not have a target funding balance. This fund receives an annual contribution from the General Fund of \$250,000 to pay for long-term technology and equipment investments.</p> <p>Fund balance is projected to decrease from \$1.2 million in 2023 to \$774,000 in 2024, and incrementally increase to \$971,000 by the end of the next biennium. Expenditures include capital improvement projects outlined in section E – Capital Improvement Program. Examples include recreation facility booking software, GIS projects, and City information via WebGIS dashboards, among others.</p>
41	6555	Councilmember Reynolds	Page B-25: We are obviously (page B-24) seeing some big increases in CIP for water, yet it appears sewer expenditures are declining. Are there fewer needs there? Why, given the systems are about the same age.	<p>Significant work is scheduled over the next six years for the Sewer Utility including system reinvestment, as outlined in the 2025-2030 Capital Improvement Program (CIP).</p>

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				<p>Construction of the SCADA system for the Sewer Utility was delayed due to long lead times and equipment shortages. Construction is now underway. The SCADA system is important for future reinvestment needs, particularly at the 17 pump stations, as the data (flows, volumes, trends, etc...) will be used in prioritizing reinvestment needs for these stations.</p> <p>Capital spending levels for the sewer utility are projected at \$4.2 and \$4.8 million in 2025 and 2026, and notably increase to \$7.4 and \$6.7 million in 2027 and 2028.</p>
42	6555	Councilmember Reynolds	B-27 Storm water fund balances are dropping dramatically. What is the target balance for this fund?	<p>The target fund balance is based on a 45-day operating reserve for cash flow purposes as well as a capital reserve (2% of total capital assets) that serves as contingency for unplanned major repairs or capital projects costs, revisited each biennium.</p> <p>Also included is the basin improvement reserve, which is for watercourse improvements on the Island that is funded by storm water in-lieu fees paid by developers.</p> <p>The budgeted \$834,528 ending fund balance in 2026 meets the policy funding targets for the fund.</p> <p>Overall, the City is spending down reserves (particularly in the utility funds) over the 2025-2026 biennium.</p>
43	6555	Councilmember Reynolds	Page B-28: What is hg practical distinction between “funding for expenditures next year” and “unreserved, and why does the former appear to bear no relationship with actual next year expenditures?”	<p>In general, in the fund balance tables the “Funding for Expenditures Next Year” is intended to show the dollar value of ending fund balance that is required to meet expenditure needs in the following year.</p>

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				For example, on page B-28 a total of \$1,343,375 shown as “Funding for Expenditures Next Year” in 2025 is the same value as appropriated (budgeted) begin fund balance in 2026.
44	6555	Councilmember Reynolds	Page B-29: Is the “vehicle replacements” just a sinking fund payment, or is this amount targeted for specific vehicles? If so, which vehicles, and how do we decide which ones to replace and when?	<p>The vehicle replacement fund is an established sinking fund to pay for specific vehicle and equipment replacements. The different vehicles and equipment are on scheduled replacements based on industry standards and recommendations. For example, patrol vehicles are scheduled to be replaced every 4 years while other vehicles and equipment are on 10- and 15-year intervals.</p> <p>Each biennium, replacements are evaluated, and small changes are made based on a number of factors including age, condition, ongoing costs, and business needs.</p>
45	6555	Councilmember Reynolds	Page B-30: What is the target balance for the equipment rental fund.	<p>The Equipment Rental Fund target fund balance shifts every fiscal year to ensure near-and long-term needs for the City’s fleet are met. This is accomplished by charging internal fees for the operation, maintenance, and replacement of the City’s fleet. The fund includes three reserves:</p> <ol style="list-style-type: none"> Vehicle Replacement Reserve is a sinking fund to replace fleet vehicles and equipment. Funded by internal service charges to each department. Fire Apparatus Replacement Reserve is a sinking fund to replace fire apparatus. Funded by 1.65% dedicated property tax levy and the excess annual levy proceeds from the Fire State & Fire Rescue Truck levy lid lift from 2014-2021. The 800 MHz Radio Replacement Reserve is a sinking fund to replace 800 MHz radios used by Police and Public Works staff. Funded by internal service charges to each department. Money is earmarked for costs associated with transitioning to PSERN.

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46	6555	Councilmember Reynolds	Page B-33: Why are there no transfers in? Didn't we establish some regular funding for this as part of the financial management policies, or was that only for medical? What is the actuarial liability for this pension plan?	<p>The Firefighters Pension Fund includes a flat annual contribution of \$26,410 of property tax, a fire insurance premium the City receives from the state based on a tax imposed on insurance companies that sell fire insurance policies in Washington, and interest earnings.</p> <p>In 2020, the City Council appropriated \$200,000 of prior year fund unassigned fund balance to the Firefighters pension fund.</p> <p>In 2021, the City Council Finance Ad Hoc Committee evaluated the Pension Fund's long-term liability and determined the current contribution levels were sufficient.</p> <p>As of 2024, the actuarial present values of the future pension benefits, the retiree medical, and long-term care benefits expected to be paid under the Firefighters Pension Fund and LEOFF I provisions are shown below:</p> <table border="1" data-bbox="1634 878 2279 1040"> <tr> <td>Pension Benefits</td> <td>\$1,936,000</td> </tr> <tr> <td>Medical Benefits</td> <td>2,687,000</td> </tr> <tr> <td>Long-term Care</td> <td>6,408,000</td> </tr> <tr> <td>TOTAL</td> <td>\$11,031,000</td> </tr> </table> <p>Only the pension benefit liabilities track to the Firefighters Pension Fund.</p>	Pension Benefits	\$1,936,000	Medical Benefits	2,687,000	Long-term Care	6,408,000	TOTAL	\$11,031,000
Pension Benefits	\$1,936,000											
Medical Benefits	2,687,000											
Long-term Care	6,408,000											
TOTAL	\$11,031,000											
47	6555	Councilmember Reynolds	I am sure I missed it, but where is the LEOFF 1 medical fund?	<p>The LEOFF 1 long-term care reserve is held in the General Fund. The estimated balance is detailed on page B-4 of the preliminary budget.</p> <p>Estimated costs for LEOFF 1 medical and other post-employment benefits are budgeted within the non-departmental division in the General Fund.</p>								
48	6555	Councilmember Reynolds	Page C-2: Can you expand this table to show total assessed value as well as the rate? This might help me to understand why the	<p>Mercer Island's assessed valuation dropped from 2023 to 2024, resulting in the increase in the City's property tax levy rate.</p>								

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			rate goes up so much from 2023 to 2024. This seems like more than can be explained by the parks levy.	In 2023, the City's total assessed value was \$22,474,155,238. In 2024, total assessed value dropped to \$20,214,930,455. Even with holding property tax revenues constant year over year, if the City's assessed value decreases, the levy rate will increase, which is historically atypical.
49	6555	Councilmember Reynolds	Page D-3: What drives the big drop in city clerk expenditures from 2024 to 2025	The change relates to election expenses. In 2022, we anticipated having additional election expenses in 2024, due to King County Elections billing for the 2023 election in 2024.
50	6555	Councilmember Reynolds	Page D-9: Maybe this applies elsewhere too, but why is there not a revenue line item to reflect overhead allocations from all the departments that legal provides services to?	The City Attorney's Office, along with many other internal service providers (e.g., Finance, Human Resources, Communications, among others) are included in the updated Cost Allocation Policy. Resources allocated for the services received from these internal service departments go directly to the General Fund and are not returned at the department level.
51	6555	Councilmember Reynolds	Page D-10: What is "legislative oversight". Is this for lobbyists?	No, this is the work that the City Council does setting policy.
52	6555	Councilmember Reynolds	Page D-11: What "benefits" does the Council get?	None. Benefits as shown on page D-11 are estimates for required federal payroll taxes.
53	6555	Councilmember Reynolds	Page D-17. Are the years wrong in the headers?	Yes. This will be corrected in the final version of the document.
54	6555	Councilmember Reynolds	Page D-29: What was the driver in the ~35% increase in benefits cost from 2023 to 2024?	This is 2023 actuals to 2024 forecasted. The 2024 benefit rates were set in 2022 before we knew the true benefits increases for 2024.
55	6555	Councilmember Reynolds	Page D-31: Interesting that we had a huge increase in insurance from 2023 to 2024 and then a decrease. Are 2025 rates known yet?	This is 2023 actuals to 2024 forecasted. The 2024 benefit rates were set in 2022 before we knew the true benefits increases for 2024. Yes, 2025 rates are known and are included in the preliminary budget.

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56	6555	Councilmember Reynolds	Page D-31: What are “other services and charges”, and why did they drop by 99.9%?	The 2024 forecast includes the final installment of the Sound Transit legal settlement in the amount of \$1,525,000. The 2025-2026 budget estimate is for miscellaneous general government printing needs.
57	6555	Councilmember Reynolds	Page E-40: This feels like a lot for lighting, especially since most riders at night will have their own lights. If the PBF plan update is done by then, will we be able to reallocate these funds to other higher priority bike tasks? Is this one part of the current plan?	<p>The cost for this outyear project is a planning-level estimate, and further electrical engineering and design will help refine the actual costs. While it’s true that many cyclists have their own lights, this area experiences unexpected darkness during daytime hours in the winter, when riders might not have their lights on, and pedestrians may not fully recognize the visibility issues. Since this location connects Shorewood and the Town Center, about half a mile apart, adding lighting will enhance safety for both cyclists and pedestrians.</p> <p>Since this is an outyear project, the funds could be reallocated to other needs if necessary. Staff is planning to pursue grant funding for this project through WSDOT’s Pedestrian and Bicycle program.</p>
58	6555	Councilmember Reynolds	Page E-66: Given what we just spend on LB pickleball (which admittedly had some unique challenges) do we think 500K (2027) is enough to do any pickleball court creation?	This outyear project and estimated cost is a planning level estimate. The 2025-2026 CIP includes \$50,000 for 90.20.0037 Sport Courts Improvements to assess the existing conditions of sport court facilities at Aubrey Davis, Homestead, Island Crests, and Roanoke Parks. This background assessment work will provide a better idea of the site preparation work that will be required to efficiently renovate these facilities. Staff aim to complete this assessment work in early 2026 to have updated information to inform potential adjustments to the 2027-2028 CIP.
59	6555	Councilmember Reynolds	Page E-68: How did we decide on this amount? What is the reserve balance now?	The amount was determined as a “starting place.” There is no reserve balance.

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60	6555	Councilmember Reynolds	Perhaps I missed this somewhere, but I cannot find it. Do you have a table in the budget showing budgeted 2024, 2025, and 2026, as well as actual 2024, FTE and LTE head count?	See below for the 2024 budget to actual for staffing. Also included is the comparison of 2024 budget to 2025 proposed. Proposed staffing is the same for 2025 and 2026.

	BUDGETED		ACTUAL	
	2024	2024	2024	2024
	FTE	LTE	FTE	LTE
Administrative Services	15.00		14.50	
City Attorney's Office	2.00		2.00	
City Manager's Office	3.00	1.00	3.00	3.00
Comm, Plng & Dev	18.00	2.00	16.00	1.00
Finance	9.00	1.00	7.50	1.00
Municipal Court	3.10		3.10	
Police Department	37.50		35.50	
Public Works	63.80	4.00	56.55	3.75
Recreation	10.25		7.75	1.75
Youth & Family Services	11.43	2.03	11.43	2.01
Thrift Shop	2.00	7.50	2.00	6.50
	175.08	17.53	159.33	19.01
		192.61		178.34

	BUDGETED		PROPOSED		Change
	2024	2024	2025	2025	
	FTE	LTE	FTE	LTE	
Administrative Services	15.00		14.50	1.00	0.50
City Attorney's Office	2.00		2.00		
City Manager's Office	3.00	1.00	3.00	1.00	
Comm, Plng & Dev	18.00	2.00	18.00	2.00	
Finance	9.00	1.00	9.00		-1.00
Municipal Court	3.10		3.10		
Police Department	37.50		37.50		
Public Works	63.80	4.00	64.00	2.75	-1.05
Recreation	10.25		10.25		
Youth & Family Services	11.43	2.03	11.93	2.83	1.30
Thrift Shop	2.00	7.50	3.00	6.50	
	175.08	17.53	176.28	16.08	-0.25
		192.61		192.36	