

2021-2022 Budget Proposal Descriptions

The descriptions of the 2021-2022 budget proposals are included below along with page references to the budget document. If a budget proposal was added since the Preliminary budget was published it is identified as a “new” proposal.

ONE-TIME FUNDING REQUESTS

1. Classification & Compensation Study: \$60,000 in 2021 (Page D-8)

The Classification and Compensation Study will examine and evaluate the City’s current salary schedule for non-represented employees, develop a classification system for all positions, and recommend improvements or changes to be implemented.

2. Biennial Public Opinion Survey: \$20,000 in 2022 (Page D-8)

Since 2004, the City has conducted a biennial community survey every other year to track customer satisfaction with City services, to identify resident priorities, and to get input on significant community issues. The survey adds value by creating a feedback loop that is helpful in identifying areas of concern with City services, in determining information gaps with the public that need to be bridged, and in allocating scarce resources during the biennial budget process. The survey was not conducted in 2020 due to the COVID-19 Pandemic.

3. Municipal Court Service Delivery Options Study: \$20,000 in 2021 (Page D-7)

Retain a consultant to analyze the options for municipal court delivery services. This includes retaining in-house services or contracting with another municipality or King County. If funded, this work should be completed in early 2021 to inform a potential transition decision for implementation by Q1 2022

4. Customer Relationship Management Software: ~~\$30,000 in 2021~~ (Page D-8)

Staff has removed this work item from the list of funding recommendations for 2021-2022.

5. Cultural Competency Training: \$20,000 in both 2021 and 2022 (Page D-8)

Government plays a key role in advancing racial equity through policy and institutional strategies aimed at closing gaps and improving outcomes for all groups. In June 2020, the City Council directed staff to schedule annual training in diversity, implicit bias, cultural awareness, or related topics for the City Council and all members of city Boards and Commissions. This budget proposal will fund ongoing training for City officials and staff.

6. Town Center Retail Analysis and Code Update: \$50,000 in 2021 (Page D-26)

Conduct a retail market analysis that evaluates current and future commercial needs and make recommendations for near term code amendments as well as the development of a long-term retail strategy for the Town Center. This work began in 2020 and is anticipated to continue in 2021.

7. Transportation, Parks, and Fire Impact Fee Study: ~~\$30,000~~ \$125,000 in 2022 (Page D-27)

The scope of work for this effort has been expanded to include the implementation of a new Fire Services Impact Fee. This work will be performed by a consultant and the cost estimate for this budget proposal has been amended to reflect this change.

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The City adopted a Parks impact fee ordinance in December of 2015 (Ord. 15C-22) and a Transportation impact fee ordinance in January of 2016 (Ord. 16C-01). Both ordinances established impact fee amounts based upon Impact Fee Rate Studies conducted in 2015.

Park and Transportation impact fees are authorized by State Law (RCW 82.02) to ensure that adequate facilities are available to serve new growth and development. Impact fees may only be imposed for improvements that are reasonably related to, and will benefit new development, and impact fees may only be imposed for public facilities identified in the Mercer Island comprehensive plan. This proposal will provide funding for an update of both impact fee studies (Parks and Transportation) in 2022, at which point the current impact fee studies will be approximately 7 years old.

8. CPD Fee Schedule and Cost Recovery Study: ~~\$55,000 in 2021~~ (Page D-27)

Staff has removed this work item from the list of funding recommendations for 2021-2022.

9. Enterprise Resource Planning Software: \$100,000 in 2021 and \$150,000 in 2022 (Page D-32)

If approved, it is anticipated that the Utility will share in the purchase costs at 44.5% and 65.5% supported by the General Fund. The City's current accounting software, One Solution, has not had a significant update in over ten years. The recommended update requires significant staff time and financial investment. Although One Solution is still functional, it operates on code written in the early 2000s. In some cases, it cannot provide data in an efficient and timely manner without significant time devoted to manual data entry. This lack of functionality and integration makes processes less than efficient.

Staff will develop a scope of work and issue a request for qualifications to evaluate alternative accounting software solutions. Once complete, the requested resources will support the one-time purchase and installation of a new accounting software that will streamline processes and begin phased-in implementation by early 2022. This is an enterprise wide software integration, with impacts across all departments.

10. ADA Transition Plan: \$100,000 in 2021 and \$150,000 in 2022 (Page D-44)

The Americans with Disabilities Act (ADA) of 1990 provides comprehensive civil rights protections to persons with disabilities in the areas of employment, state and local government services, and access to public accommodations, transportation, and telecommunications. The City is required to complete a Self-Evaluation and Transition Plan that will address the requirements of ADA Title II. This plan will be used to identify obstacles limiting accessibility, describe and identify methods to make these obstacles accessible, and plan a schedule to bring City facilities and operations into compliance.

The City will hire an outside consultant to help with this self-evaluation and the development of a Transition Plan. Funding for this planning work was included in the 2019-2020 biennial budget. The work item was suspended due to the COVID-19 Pandemic. This project work will be managed by the Public Works/Operations Department.

11. Soil Remediation and Site Characterization: \$148,000 in 2021 and \$56,000 in 2022 (Page D-44)

The City previously operated an underground fuel tank at the City maintenance facility. Contaminated soil and groundwater have been located on the City's property and on the southern portion of the adjacent property (9555 SE 36th St.) Chemical injections to expedite the degradation of the contaminants have been ongoing. Additional injections and monitoring from a professional

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service are needed to complete the clean-up and receive a “No Further Action” letter from the Department of Ecology (DOE). Total cost for the 2021-2022 biennium are estimated at \$350,000, of this 50% or \$175,000 is expected to be reimbursed by the City’s insurance. The remaining \$175,000 cost is shared between the Utility Funds at 26%, or \$45,500, and the General Fund at 74%, or \$129,500. One-time funding is needed for the General Fund portion.

Additionally, a notice from DOE was received in 2013 informing the City that Fire Station 91 is a known location of reported contaminated soils and/or groundwater. Further site characterization is needed to determine whether contaminants remain on the property or additional remediation efforts are needed. This project includes soil borings and the installation of monitoring wells. Given the age of the underground fuel tanks at Fire Station 91, current conditions, and remaining evaluation of expected useful life analysis is needed. Oversight and management of this work will be performed by the Public Works/Operations Department with support from the Legal Department and the Fire Department. This work will not be eligible for insurance reimbursement. The estimated cost of \$100,000 will be shared by the Utility funds at 26%, or \$26,000, and the General Fund at 74%, or \$74,000. One-time funding is needed for the General Fund portion.

12. Appropriation: Youth & Family Services Fund: \$103,000 in 2021 and \$857,000 in 2022 (Page D-44)

The 2021-2022 Preliminary Budget reflects an interfund transfer from the General Fund to the YFS Fund. These appropriations are to address the revenue shortfalls resulting from the ongoing impacts of the COVID-19 Pandemic on Thrift Shop operations. It is anticipated that Thrift Shop operations will continue to recover over the next biennium thereby reducing the interfund transfer amount. Changes to the YFS Fund budget will be addressed incrementally and through the budget amendment process over the course of the biennium.

13. Town Center Parking Study: \$80,000 in 2021 (Page D-61)

Parking restrictions within the Town Center and the North Mercer Restricted Parking District are governed by MICC 10.74.030(A) & (B). This budget proposal will include a study, completed by an outside consultant, to review current code, existing parking restrictions and identify opportunities for parking improvements within the Town Center. The study will provide recommendations on modifications that can be made to the Town Center Parking District ahead of the opening of the Sound Transit Light Trail Station. The scope of work will also include an evaluation and recommendation on the City’s existing permit parking system.

New one-time budget proposals added after publication of the 2021-2022 Preliminary Budget

14. Consultant to Create the City’s Housing Action Plan: \$150,000 in 2021 (NEW)

The Housing Action Plan will inform the update to the Housing Element in the Comprehensive Plan (due in 2024) and guides ongoing implementation of those policies by identifying strategies to address the city’s housing needs. The Housing Action Plan implements a strategy for addressing housing needs in the community. The process begins with an inventory of the existing housing stock, an analysis of current and future housing needs, and identifying gaps where the current housing market is not delivering needed housing types. This is followed by a comprehensive review of the city’s policies, programs, and regulations that shape housing development.

The purpose of this review is to identify ways to encourage construction of both market-rate and affordable housing to address the identified gaps. Both the housing needs assessment and the housing policy review will be used to inform and engage the community about the current state of

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housing in Mercer Island, the identified needs and potential strategies the City could employ to address these housing needs in the future.

15. Fire Services Request for Proposals: \$80,000 in 2021 (NEW)

After completion of the Fire Services Study presented to the City Council on October 6, the Council directed the City Manager to prepare a budget proposal to conduct a Request for Proposals (RFP) process and commence further study of outsourcing fire and emergency services.

The funding request includes consultant support to draft a comprehensive RFP, community engagement support, solicitation of proposals, coordination with potential partners, analysis of proposals, negotiations with the preferred partner, and presentations/discussions with the City Council. The proposal also includes resources for bargaining and legal support. If approved, the scope of work for the RFP will be developed in consultation with the City Council.

This estimate does not include costs for mediation and interest arbitration, or costs associated with implementation (such as transferred liabilities).

16. Funding for a Special Levy Election: \$55,000 in 2021 (NEW)

This is a placeholder. If the City were to hold a special election for a ballot measure, the costs will range from \$34,000 to \$55,000 depending on when it is held.

Election costs are based upon a jurisdiction's proportionate share. Each jurisdiction's cost is determined by taking the total number of registered voters in the jurisdiction and dividing it by the total number of all registered voters in all participating jurisdictions in the election. Election costs vary depending on a variety of factors. For instance, whether or not the election is held in an odd or even-numbered year is a significant factor for determining costs in a primary or general election; but less of a factor for a special election held in February or April. This is primarily due to the number of participating jurisdictions in an odd-numbered year as opposed to an even-numbered year.

For example, a general election shared by ten jurisdictions is going to cost more per voter for each jurisdiction than an election shared by 135 jurisdictions (Note: all cities in King County hold councilmember elections in odd-numbered years). Special elections in February and April are often shared by a smaller number of jurisdictions, thus the proportional share is often greater. In the case of a single jurisdiction election, the election cost will be 100%.

The cost of participating in a local voters' pamphlet is processed separately from election costs. Local voters' pamphlet costs are determined for each participating jurisdiction based on the number of registered voters, but the cost is separated into two categories: printing and distribution. Printing costs are driven by the number of pages in a pamphlet, therefore the allocation of printing costs based on the number of pages for each jurisdiction. Distribution costs are calculated in the same way as the election costs. Printing and distribution costs are combined for the full cost of participating in a local voters' pamphlet. A jurisdiction's participation in a local voters' pamphlet depends on the election. During special elections held February or April, jurisdictions must specifically request the production of a local voters' pamphlet or one will not be produced.

Election and voters' pamphlet costs are included in the estimates below:

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Election Expenses	Low Estimate	High Estimate
April 2021	\$38,818	\$54,069
August 2021 (Primary)*	\$21,258	\$27,266
November 2021 (General)*	\$19,409	\$24,493
February 2022	\$37,894	\$53,145
April 2022	\$37,894	\$53,145
August 2022 (Primary)	\$36,970	\$45,751
November 2022 (General)*	\$33,273	\$43,902

**Election expenses already included in the preliminary budget.*

17. Recreation Recovery Plan Startup Funding: \$400,000 in 2021 (NEW)

This budget proposal is placeholder and includes funding to re-open the Mercer Island Community & Event Center and restore some recreational services and arts programming. As the transition planning is implemented (anticipated for Council follow-up in Q1 2021), additional resources will be needed to begin to renew the MICEC and Recreational Programs. This budget proposal is intended to fund staff to process reservations, develop recreational programming, and begin the implementation of the Recreation Recovery Plan.

18. Thrift Shop Startup Funding: \$100,000 in 2021 (NEW)

The Mercer Island Thrift Shop provides critical revenue to support the Youth & Family Services Department. Due to the Pandemic, the Thrift Shop closed in mid-March.

At present, the Thrift Shop is open on Sundays and is selling current inventory. Donation processing is scheduled to resume on Saturdays utilizing the Mercer Island Community and Event Center (MICEC). These limited operations will provide critical learning and experience in a Pandemic environment and will be used to inform expanded operations in the future.

This one-time funding request is a placeholder to ensure resources are available to support the expansion of sales and donations processing in 2021. Start-up funding is needed to hire ahead and train staff and volunteers as operations begin to scale up. These funds will also be used for procurement of supplies and equipment to meet Pandemic operating requirements and to sustain the two-facility operation. Current recovery planning is focusing on returning to a five-day retail operation in 2021. Expanding the operating days requires a minimum four-week lead time to sufficiently train staff and volunteers.

ONGOING FUNDING REQUESTS

19. Economic Development Coordinator: 1.0 FTE ongoing, \$120,000 in 2021 (Page D-26)

Prior to the COVID-19 Pandemic (Jan 2020), the City Council directed the City Manager to prepare a recommendation to fund an economic development position. A temporary position (Small Business Coordinator) was added to the EOC team in 2020 to support local business needs. This temporary position has been successful and is recommended for permanent funding consideration.

The Economic Development Coordinator is a new position proposed to support citywide efforts for near- and long-term economic development and local business support. Activities performed by this

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role will include supporting local businesses through the COVID-19 recovery, reviewing existing policies and pursuing new policies related to economic growth and sustainability, and coordinating needs for long-range economic development planning and local business support.

This position will serve as a liaison between the City and the local business community and represent the City to residents on matters related to economic development. The Economic Development Coordinator will work with City staff, the Mercer Island Chamber of Commerce, and local businesses to prioritize needs related to Town Center development and activation, connect with the region's economic development professionals, and participate in regional discussions. Ultimately, the Economic Development Coordinator will be a champion for the local business community, focusing on ways to strengthen existing businesses and expand opportunities for new business growth on Mercer Island.

20. Senior Policy Analyst: 1.0 FTE ongoing, \$135,000 in 2021 (Page D-26)

There is currently very little capacity within the proposed Community Planning and Development organizational structure to support policy work such as code amendments and comprehensive plan updates. If the 2021-2022 work plan includes significant policy work and/or long-range planning initiatives, staff resources will be needed to complete these work items.

21. Financial Analyst: 1.0 FTE ongoing, \$110,000 in 2022 (Page D-31)

If approved beginning in 2022, 50% of the salary will be supported by Utilities Funds with the other 50% supported by the General Fund. The Finance Department touches all operations across the City. To that end, the department is operating at capacity, with a far-reaching workload in the coming biennium. This position will support the City with accounting, finance, and budgetary analysis with focus on the City's Utility Funds and capital improvement program. This added analytical clout will position Finance to take a more pro-active approach to completing financial reports, revenue, and expense allocation plans, and provide financial management oversight to external operation departments.

22. Mobile Integrated Health Program: Budget Neutral Request (Page D-37)

This is a budget neutral request. The adopted King County ALS/EMS six-year (2020-2025) levy provides funding to local fire departments to establish a Mobile Integrated Healthcare (MIH) program designed to address the needs of low-acuity 9-1-1 callers and vulnerable community members by developing programs and systems that connect individuals accessing the Emergency Medical System (EMS) to an array of health and social services. The primary goals of this program are to 1) Connect our community members to the most appropriate health and social services; 2) optimize availability of emergency services; and, 3) Position EMS as an integrated and interconnected link in the broader health and social services system.

23. Patrol Officers: 2.0 FTE ongoing, \$243,000 in 2022 (Page D-51)

If funded beginning in fiscal year 2022, two additional patrol officers will be assigned to the Sound Transit light rail station area. They will develop relationships with key stakeholders and will serve as the liaisons between the City, local businesses, Sound Transit, and Metro. They will perform proactive daily patrols during the weekdays with a focus on:

- Safety for the pedestrians and bicyclists
- Safe and efficient traffic flow
- Individual and personal safety
- Timely responses to emergencies for police and fire

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- Minimizing negative impacts on parks, the town center, and surrounding neighborhoods.

A strong officer presence at the light rail opening will serve as an effective deterrent for those who would otherwise choose to engage in criminal activity at or near the light rail station.

If the two patrol positions are not funded, existing officers will patrol the area. Given the 12 to 18-month lead time needed to hire police officers, recruitment for these two new positions will need to occur in 2022 for implementation in 2023.

24. Sustainability Program Manager: 1.0 FTE ongoing, \$143,000 in 2021 (Page D-61)

This position has been moved from the City Manager's Office to the Public Works Department to better oversee on-the-ground implementation of sustainability programs, measures, and outreach as well as improve energy efficiency measures and reduce the City's own carbon footprint and waste generation. This work will include capital project support and coordination with the maintenance and operations teams on sustainability initiatives, while also maintaining the City's long-running involvement in regional intergovernmental sustainability initiatives, such as the King County-Cities Climate Collaboration (K4C) and others, and interaction with local sustainability advocates. The position will update City and community Greenhouse Gas metrics for reporting purposes and ensure the completion of the draft Mercer Island Sustainability Plan.

25. Reinstate Park Maintenance Casual Labor: \$263,000 in 2021, ongoing (Page D-61)

Parks Maintenance relies on casual labor to support operations during the peak recreation season (Q2-Q3 annually) to meet community needs and maintain existing levels of service. Due to the COVID-19 Pandemic in 2020, the casual labor positions within Parks Maintenance were eliminated. Maintenance was deferred and service levels in parks significantly declined. Casual Labor is used to support operations during the peak months (annually) to handle duties such as park mowing, general landscape, park restroom maintenance and cleaning, park access and safety, ballfield rentals and other general park services. On average, 8-10 part-time/casual labor positions are used to help maintain levels of service.

26. Town Center Beautification: \$60,000 in 2021, ongoing (Page D-62)

The Town Center Beautification was reduced in the 2019-2020 budget. The reduction included casual labor (a 9-month seasonal position) and the reduction of maintenance services that support the Town Center right-of-way. Preventative maintenance activities such as pressure washing of sidewalks and furniture, planter bed maintenance including the annual flower and hanging basket beautification program, and early stage crack repairs were reduced. This budget proposal will reinstate preventative maintenance, spring hanging baskets, and the annual color program in the Town Center.

Both elements of this budget proposal are needed to address the concerns in a comprehensive and compassionate manner.

27. YFS Diversity, Equity, and Inclusion Training: \$5,000 in 2021, ongoing (Page D-72)

Government plays a key role in advancing racial equity through policy and institutional strategies aimed at closing gaps and improving outcomes for all groups. In 2019, employees attended Cultural Competency training to help explore how individual identity develops as well as attitudes towards cultural differences. This budget proposal is for training specific to mental-health counseling and human services providers in the Youth and Family Services Department

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New ongoing budget proposals added after publication of the 2021-2022 Preliminary Budget

28. Public Camping and Shelter Support: \$10,000 in 2021, ongoing (NEW)

This budget proposal addresses two areas of concern for the Mercer Island community: (1) camping on city-owned property, and (2) shelter space for those experiencing homelessness.

The current City code prohibits camping in City parks but is silent regarding camping on other City-owned property and public easements. As it is currently written, MICC 9.30.160 states “It is unlawful for any person or group of persons to camp out in any park except at places set aside for such purposes by the director and so designated by signs.” Staff recommends expanding the scope of prohibitions on camping to include all City-owned property and public easements and this work item will be considered in Q1 2021. Recent case law, however, determined that it is unconstitutional to enforce ordinances prohibiting camping in public places when no shelter space is available.

Currently, there are no shelters on Mercer Island to support those experiencing homelessness. Staff recommends the City enter into an agreement with the regional Human Services Funding Collaborative to support Eastside shelters. An annual contribution of \$10,000 to the Collaborative will support four area shelters that serve broad demographics, including Friends of Youth (youth), Catholic Community Services (families), Sophia Way (women), and Congregation for the Homeless (men).

29. Contract Utility Locate Services: \$60,000 in 2021, ongoing (NEW)

Washington State Law (RCW 19.122.020(8)) requires any project that involves excavation, must notify all Utility companies so existing infrastructure can be marked to avoid unnecessary damages. Work includes emergency repairs to infrastructure, private development, or excavating on private property (i.e. fence installation).

Currently, the City performs the utility locate services for Water, Sewer, and Storm Water Utilities. In 2019, the City responded to over 2,565 locate tickets, which takes staff away from other critical maintenance work. This budget proposal will include a Request for Proposals to evaluate contracting out utility locate services. Private locate companies successfully perform this work for other jurisdictions and may be a suitable alternative to using in-house resources. This work will be bargained with the AFSCME Union as part of the 2021 contract negotiations.

30. Recreational Programming Operating Subsidy: \$400,000 in 2022, ongoing (NEW)

This is a placeholder to ensure sufficient ongoing resources are in place in 2022 to sustain the Mercer Island Community and Event Center (MICEC) and the recreation and arts programs.

City recreation programs and special events have had a positive and meaningful impact to the Mercer Island Community for many years. Due to the impacts from the COVID-19 Pandemic, the MICEC was closed in mid-March and recreation and arts programs were suspended. Staff are working on a recovery plan to resume operations and programs in 2021 and have requested one-time start up resources to rehire staff, procure supplies etc.

This budget proposal anticipates that an ongoing subsidy of \$400k per year will be needed to support the MICEC and recreation and arts programming in 2022.