



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

**AB 5771
November 2, 2020
Study Session**

AGENDA BILL INFORMATION

TITLE:	AB 5771: Ballot Measures 101	<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:	Receive presentation. No action necessary.	

DEPARTMENT:	City Manager
STAFF:	Jessi Bon, City Manager
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Ballot Measures 101 Presentation 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.
CITY COUNCIL PRIORITY:	

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

SUMMARY

The purpose of this presentation is to review the various voter-approved funding measures available to support programs and services provided by the Youth and Family Services (“YFS”) Department. This is an informational presentation provided by Deanna Gregory of the Pacifica Law Group and no action will be taken. Ms. Gregory has served as bond counsel to the City of Mercer Island for the past 15 years.

BACKGROUND

On May 5, 2020, the City Council established the YFS Working Group, comprised of representatives from the MIYFS Foundation Board, the City Council, and staff. The purpose of the YFS Working Group is to evaluate short-term and long-term funding options to stabilize the YFS Department, which has been impacted by the closure of the Thrift Shop due to the COVID-19 Pandemic (Pandemic). Efforts are underway to resume Thrift Shop operations, but revenue impacts are expected to extend through the 2021-2022 biennium due to Pandemic-related operating restrictions.

The YFS Working Group initially focused on short-term solutions to restore some of the YFS services for the 2020-2021 school year. This included a MIYFS Foundation contribution of \$102,600 in 2020, and a pledge of \$712,400 for the 2021 fiscal year. This is in addition to the \$300,000 in ongoing support provided by the

Foundation in both 2021 and 2022. The City remains grateful for the long-term partnership with the MIYFS Foundation and for the generosity of the community in helping to sustain critical community services during this unprecedented time.

LONG-TERM FUNDING DISCUSSIONS

The YFS Working Group recently began discussing long-term financial stability options, including the possibility of a levy lid lift. This is a tool used by taxing jurisdictions to authorize a property tax increase above the 1% annual limit (up to the statutory maximum rate), for a specified amount of time.

Since there are numerous factors to consider when determining the type, length, and amount of a levy lid lift, staff recommended that bond counsel review this information with the full City Council and in advance of any further work by the YFS Working Group.

Ms. Gregory will present information regarding regular and excess property tax limitations, single year and multiple year levy lid lifts, and ballot measure requirements. A copy of the PowerPoint presentation is attached as Exhibit 1.

RECOMMENDATION

Receive presentation. No action necessary.