



CITY COUNCIL MINUTES SPECIAL VIDEO MEETING NOVEMBER 2, 2020

EXECUTIVE SESSION

At 5:01 pm, Mayor Wong convened an Executive Session for approximately 30 minutes to discuss with legal counsel litigation or potential litigation pursuant to RCW 42.30.110(1)(i)

Mayor Benson Wong, Deputy Mayor Wendy Weiker, and Councilmembers Lisa Anderl, Jake Jacobson, Salim Nice, Craig Reynolds, and David Rosenbaum participated remotely using a teleconferencing platform provided by Microsoft Teams.

City Manager Jessi Bon participated from City Hall and City Attorney Bio Park participated in the executive session from a remote location.

At 5:26 pm, Mayor Wong adjourned the Executive Session. No action was taken.

CALL TO ORDER & ROLL CALL

Mayor Wong called the meeting to order at 5:30 pm from a remote location.

Mayor Wong, Deputy Mayor Wendy Weiker, and Councilmembers Lisa Anderl, Jake Jacobson, Salim Nice, Craig Reynolds, and David Rosenbaum participated remotely using a video teleconferencing platform by Zoom.

City Manager Bon and City Clerk Deborah Estrada participated remotely from separate rooms at City Hall, 9611 SE 36th Street, Mercer Island, Washington. The City Attorney and Mercer Island City Leadership Team participated from remote locations.

PLEDGE OF ALLEGIANCE

Councilmember Nice led the Council in the Pledge of Allegiance.

AGENDA APPROVAL

It was moved by Jacobson; seconded by Rosenbaum to:

Approve the agenda as presented.

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker, and Wong)

STUDY SESSION

AB 5771: Ballot Measures 101

City Manager Bon introduced Deanna Gregory, with Pacifica Law Group, explaining that she had served as bond counsel to the City of Mercer Island for the past 15 years.

Gregory outlined the revenue options that comprises a majority of City General Fund Revenue:

- Regular Property Tax for General Purposes
- Levy Lid Lift
- Excess Property Taxes for Operations and Maintenance

- 1% Based Sales and Use Tax for General Purposes
- Other Sales and Use Tax Options

She detailed property tax rate limitations, annual increase limitations, and “lifting” the 101% Levy Lid (one time increase or multiple year). Gregory also outlined ballot measure requirements: the process, election dates, Public Disclosure Commission rules and guidelines, and that the use of public facilities to support or oppose a ballot proposition is prohibited.

CITY MANAGER REPORT

City Manager Bon reported on the following:

- COVID 19 Update
- Council and Boards & Commissions Updates
- 2021-2022 Biennial Budget Schedule
- City Service Updates:
 - Election Day & MIPD Election Security
 - Successful Med Takeback Event – October 24
 - Pedestrian Safety Reminder
 - Tips for Keeping Your Vehicle Safe from Prowlers
 - Old East Seattle School Demolition
 - New Look for the MI Weekly Newsletter
 - PSE Green Director Clean Energy Program
- Good News Items:
 - Centennial Birthday Celebration – Dorothy Hollingsworth
 - Local Boy Helps Prevent Possible Fire
 - Thrift Shop Donation Restart
 - New Thrift Shop Donation Protocols & Volunteers Needed
 - Illuminate MI
 - Veterans Day – November 11

APPEARANCES

Peter Struck, Mercer Island – addressed Agenda Bill 5766 regarding the Thrift Shop expansion and urged further study to address several issues. While staff’s Option B appears to be the most financially viable, there is no ROI provided for the Status Quo option, explaining that the analysis needs to be more robust with an enhanced risk assessment.

Meg Lippert, Mercer Island – continued to express her concerns regarding the expansion of the Thrift Shop and Recycling Center and shared several questions with the Council for consideration. She also encouraged City Council to consider Peter Struck’s financial analysis and his concerns regarding Thrift Shop compliance with regulations.

Joel Wachs, Mercer Island – on behalf of the Mercer Island Historical Society, spoke in support of maintaining the Lightfoot House as a part of Mercer Island past.

Ray Austin, Mercer Island – introduced himself as a Mercer Island Fire Department Lieutenant and President of the Firefighters Union and spoke in support of maintaining fire services on the Island. He addressed misconceptions surrounding the staffing model and reported that fire department personnel are not burnt out or require a work-life adjustment.

Carol Heltzel, Mercer Island – spoke in support of the Mercer Island Fire Department and encouraged the Council to not outsource fire services.

Dr. David Beatty, Mercer Island – spoke in support of maintaining Fire and Ambulance Services on the Island.

Robin Russell, Mercer Island – spoke in opposition to the expansion of the Thrift Shop and encouraged the Council to put Mercerdale Park in a protected trust similar to Pioneer Park.

Ira Appelman, Mercer Island – expressed his objection to the expansion of the Thrift Shop into Mercerdale Park and encouraged City Council to consider other public properties to address the expansion.

Dr. John Harrington, Mercer Island – spoke in support of a full-time environmental sustainability position for the 2021-2022 biennial budget and reminded City Council of Mercer Island’s participation and commitment to the K4C and the environment.

CONSENT CALENDAR

Approve Accounts Payable Reports for the periods ending:

A. October 16, 2020 in the amount of \$747,431.96

B. October 23, 2020 in the amount of \$499,783.32

Recommendation: Certify that the materials or services herein before specified have been received and that all warrant numbers listed are approved for payment.

Claims Reporting for Electronic Funds Transfers for the month ending September 30, 2020 in the amount of \$1,788,323.56

Recommendation: Certify that the materials or services herein before specified have been received and that all warrant numbers listed are approved for payment.

Certification of Payroll dated October 23, 2020 in the amount of \$ \$732,845.68

Recommendation: Certify that the materials or services herein before specified have been received and that all warrant numbers listed are approved for payment.

Approve Minutes of the following meetings:

A. October 1, 2020 Special Meeting

B. October 6, 2020 Regular Meeting

C. October 13, 2020 Special Meeting

It was moved by Jacobson; seconded by Anderl to:

Approve the Consent Calendar as presented.

Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker, and Wong)

SPECIAL BUSINESS

AB 5769: Public Hearing on Extension of Docketing Deadline to Submit Proposals for Comprehensive Plan and Code Amendments

Mayor Wong opened the public hearing at 7:21 pm.

There being no comments by the public, Mayor Wong closed the public hearing at 7:22 pm.

There were no additional findings or conclusions regarding Ordinance No. 20-15 and the extension of the Docketing Deadline to submit proposals for Comprehensive Plan and Code Amendments.

AB 5770: Updating School Impact Fees

Community Planning and Development Deputy Director Alison Van Gorp explained that the school impact fees are imposed on certain residential developments pursuant to City Code. She further explained that the impact fees are collected by the City on behalf of the District, and the amount of the impact fees is calculated and determined annually by the District in its Six-Year Capital Facilities Plan.

Tyrell Bergstrom, MISD Executive Director of Finance and Operations, responded to Council questions regarding how the numbers are arrived at and the District’s ability to assess impact fees on development.

It was moved by Anderl; seconded by Weiker to:

Suspend City Council Rules of Procedure 6.3 requiring a second reading of an ordinance.

Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker, and Wong)

It was moved by Weiker; seconded by Nice to:

Adopt Ordinance No. 20C-24 amending MICC Chapter 19.17 and updating the school impact fees.

Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker, and Wong)

AB 5774: COVID-19 Relief Grant Program Awards

Sarah Bluvas, EOC Small Business Liaison, reported that 107 applications were received, and that City staff and Council liaisons met on October 30 to review each applicant's eligibility and conduct the lottery selection process. Bluvas summarized the eligibility criteria and the lottery selection process, noting that each eligible application was sorted into one of three pools according to the established priorities. She further explained that most eligible applicants (64) qualified for Pool 1 and that the remaining eligible applicants qualified for Pool 2. Awardees were selected using a random number generator in Excel. A total of 54 applicants were selected to receive \$5,000 each and the 11 remaining applicants were sorted into a waiting list if other awardees were not able to fulfill the grant obligations.

Council inquired about the grant timeline, to which Bluvas responded explaining that once Council approves the awards, staff will begin the contracting process to submit for reimbursement to the Washington State Department of Commerce and begin disbursing funds in December 2020.

It was moved by Nice; seconded by Jacobson to:

Approve the 54 selected recipients for the Mercer Island COVID-19 Relief for Small Businesses and Nonprofits Grant Program and authorize the City Manager to utilize the alternate list should any of the selected recipients not be able to meet the grant program requirements

Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker, and Wong)

It was moved by Jacobson; seconded by Nice to:

Authorize the City Manager to enter into subrecipient agreements with each grant recipient for grant disbursement and financial reimbursement via Washington State CARES Coronavirus Relief Funding.

Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker, and Wong)

AB 5766: Update on Thrift Shop Facility Study – Financial Model and ROI

Sr. Project Manager Gareth Reece summarized the project's history, the purpose and approach of analysis, the analysis results and how to use that information, and other considerations. Reece went on to provide an analysis on the anticipated return on investment.

Council expressed concern regarding whether the project would exceed the current impervious area, to which staff responded, explaining that the plan all along was to stay within the current surface. If that scenario should change, staff will bring it before Council before moving forward.

It was moved by Jacobson; seconded by Nice to:

Appropriate \$773,045 from the 2019-2020 CIP for Option B of the Thrift Shop and Recycling Center Remodel Project and direct the City Manager to add the project to the 2021-2022 CIP for construction.

It was moved by Weiker; seconded by Reynolds to:

Amend the motion to look at other public land locations for the building.

Failed 5-2

AGAINST: 5 (Anderl, Jacobson, Nice, Rosenbaum, and Wong)

FOR: 2 (Reynolds and Weiker)

Passed 5-2
FOR: 5 (Anderl, Jacobson, Nice, Rosenbaum, and Wong)
AGAINST: 2 (Reynolds and Weiker)

AB 5775: 2021-2022 Biennial Budget: Budget Proposals Discussion

Matt Mornick, Interim Finance Director, briefly summarized the budget process thus far, explaining that the purpose of tonight's discussion was to evaluate each budget proposal and determine which, if any, should be prioritized for funding in Fiscal Year 2021 and 2022 and included in the Final budget document for adoption on December 1. Mornick further explained that total revenues exceed expenditures, creating an operating surplus of \$0.8 million in 2021, and \$1.07 million in 2022. Furthermore, savings from prior years that carry-forward into 2021 amount to \$3.6 million. The total unassigned General Fund balance in fiscal year 2021 is \$4.4 million.

City Manager Bon led Council through a budget proposal prioritization exercise, which utilized a consensus-based process that required a super majority (5+).

It was moved by Nice; seconded by Anderl to:

Authorize the following budget proposals be included in the 2021-2022 biennium as read by the Chief of Administration:

**\$400,000 for the LEOFF 1 Reserve,
\$200,000 for the Firefighters Pension Fund, and
Budget Proposals:**

- (1) **Classification & Compensation Study**
- (2) **Biennial Public Opinion Survey**
- (3) **Municipal Court Services Study**
- (5) **Cultural Competency Training**
- (6) **Town Center Retail Analysis & Code Update**
- (7) **Transportation, Parks, & Fire Impact Fee Study**
- (9) **Enterprise Resource Planning Software Acquisition**
- (10) **ADA Transition Plan (using assets in Cityworks system)**
- (11) **Soil Remediation & Site Characterization**
- (12) **Appropriation: Youth & Family Services Funding**
- (13) **Town Center Parking Study**
- (16) **Funding for a Special Election**
- (17) **Recreation Recovery Plan Startup Funding**
- (18) **Thrift Shop Startup Funding**
- (19) **Economic Development Coordinator (1.0 LTE) (Changed from FTE to LTE position)**
- (20) **Senior Policy Analyst (1.0 FTE) starting in July 2021 to the final budget.**
- (21) **Financial Analyst (1.0 FTE)**
- (22) **Mobile Integrated Health (MIH) Program**
- (23) **Patrol Officers (2.0 FTE)**
- (24) **Sustainability Program Analyst (1.0 FTE) (This includes a title change from "Manager" to "Analyst" and the City Manager will ensure there is a detailed work plan with performance measures)**
- (25) **Reinstate Park Maintenance Casual Labor**
- (26) **Town Center Beautification**
- (27) **YFS Diversity, Equity, & Inclusion Training**
- (28) **Public Camping & Shelter Support**
- (29) **Contract Utility Locate Services**
- (30) **Recreation Programming Operating Subsidy**
- (New) \$20,000 per year for Farmers Market support**

It was moved by Anderl; seconded by Jacobson to:

Amend the main motion to include Budget Proposal #15 – Fire Services Request for Proposals

Failed 4-3

AGAINST: 4 (Reynolds, Rosenbaum, Weiker and Wong)

FOR: 3 (Anderl, Jacobson, and Nice)

It was moved by Anderl; seconded by Rosenbaum to:

Amend the main motion to include Budget Proposal #20 Sr. Policy Analyst (1.0 FTE), starting July 2021

Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker and Wong)

The main motion as amended,

Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker and Wong)

Council expressed a desire to add Item 14 – “Consultant to Create the City’s Housing Action Plan (\$150,000 in 2021).” It was agreed that this decision would be postponed until such time that Jeff Thomas, Interim Community Planning & Development Director, met with ARCH.

OTHER BUSINESS

Planning Schedule

City Manager Bon reported that the next City Council is on November 17.

Councilmember Absences

There were no absences reported.

Councilmember Reports

Councilmember Reynolds thanked the City Manager for bringing forward the \$400,000 for the LEOFF 1 Reserve; however, even if \$400,000 were budgeted every year the account would not reach fully funded status until 2034.

Councilmember Rosenbaum – Reported that the Superintendent’s Advisory Council met last week and discussed when students might return to the classroom and the number of enrollments that are down.

Councilmember Jacobson – attended the Superintendent’s Advisory Council, as well.

Mayor Wong – He and Deputy Mayor Weiker attended the PRSC General Assembly on October 29, wherein the Vision 2050 was adopted as amended.

ADJOURNMENT

There being no additional business, the Special Video Meeting adjourned at 11:37 pm.

Attest:

Benson Wong, Mayor

Deborah A. Estrada, City Clerk