



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6383
December 5, 2023
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 6383: 2023-2024 Mid-Biennial Budget Amendments	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Adopt Ordinance No. 23-20 to amend the 2023-2024 biennial budget.	

DEPARTMENT:	Finance
STAFF:	Matthew Mornick, Finance Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Ordinance No. 23-20, 2023-2024 Mid-biennial Budget Amendments
CITY COUNCIL PRIORITY:	4. Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community.

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

EXECUTIVE SUMMARY

The agenda bill outlines changes to the 2023-2024 biennial budget resulting from prior City Council decisions and feedback received during the mid-biennial budget review (Exhibit 1).

BACKGROUND

Per State law, the City Council is required to conduct a mid-biennial review of the City’s adopted budget before the end of the first year of the fiscal biennium (RCW 35.34.130). The mid-biennial budget process commenced on October 17, 2023 ([AB 6357](#)) when staff presented revenue projections for the General Fund, the Youth and Family Services (YFS) Fund, and real estate excise tax (REET) revenues.

At the November 7, 2023 City Council meeting, staff shared background on upcoming investments for the City’s water distribution system, the financing strategy to use bond proceeds to help pay for these capital investments, and how declaring the intent to seek reimbursement creates a more favorable timeframe to spend bond proceeds ([AB 6370](#)).

The City Council received the third quarter financial status update on November 21, 2023 and adopted the 2024 property tax levy ordinances, [Resolution No. 1652](#) designating the City Manager as the official

responsible for issuing statements of official intent, and [Resolution No. 1653](#) approving the City's 2024 budget allocation for Northeast King County Regional Public Safety Communication Agency's (NORCOM).

The City Council also reviewed and provided direction to include the following mid-biennial budget adjustments in the budget amendment ordinance for adoption on December 5, 2023, as follows:

- Reducing City Hall-related capital projects in the amount of \$1.16 million.
- Appropriating \$300,000 for long-range facility planning.
- Appropriating \$300,000 for Police support facilities.
- Appropriating \$100,000 for public records management.
- Appropriating \$317,928 for WCIA liability insurance.
- Creating a new Municipal Facility Replacement Fund with a funding target of \$10 million.
- Authorizing the transfer of \$579,808 of interest earnings from the General Fund to establish the new Municipal Facility Replacement Fund.
- Appropriating Mercer Island's share of Opioid settlement funds to Mercer Island's Healthy Youth Initiative program.

Ordinance No. 23-20 (Exhibit 1) also includes budget adjustments resulting from the Interlocal Agreement for Fire and Emergency Medical Services with Eastside Fire & Rescue ([AB 6307](#)) and the Memorandum of Understanding with IAFF Local 1762 related to the regionalization of Fire and Emergency Medical Services ([AB 6312](#)).

RECOMMENDED ACTION

Adopt Ordinance No. 23-20, amending the 2023-2024 Biennial Budget.