

Question & Answer Matrix
May 20, 2025 - City Council Meeting

Log #	AB No.	Received From	Question	Staff Response
1	6679	Reynolds	I am confused by the increase in costs of \$612K from 2023 to 2024. Costs of 612K are explained via two amounts,, one for 370K and one for 242K. That would seem to explain the full increase, but then there is a reduction of "other costs" of 432K and a 250K overtime savings. Do these latter savings show up somewhere other than the fire line? Otherwise the math does not math. Or are there some additional increase contributors that offset the 432+250 decrease?	<p>As you note relative to 2023, the \$612,000 increase in expenditures for fire and emergency medical services (EMS) in 2024 were the \$370,000 first of three one-time payments associated with the new EF&R Agreement to cover the time accrual liability associated with the firefighter positions. This one-time transition expense will be paid over three years.</p> <p>Second, the \$242,000 in wage increases followed a 4.5% cost-of-living adjustment EF&R staff received per the 2024 contracted bargaining agreement.</p> <p>That aside, when comparing 2024 to 2023, the City spent \$250,000 less on Fire/ EMS related overtime, \$164,000 less in liability insurance, and \$36,000 less in building maintenance expenses for a total of \$450,000 in savings.</p> <p>The new cost allocation policy the City Council adopted in May 2024 equipped the City to assign direct and indirect expenses – like finance, human resources, administrative and legal services – to the departments, projects, funds, or other cost centers that benefit from them. Following the methodology for allocating costs, with the new partnership with EF&R in 2024 there was \$232,000 in indirect staff time and resources that was not used to support the Fire and EMS Operations.</p>
2	6679	Reynolds	Is the 232K in allocated cost savings a real savings, or just a cost that is shifted to other departments?	See response above.

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3	6679	Reynolds	When will the additional AMI collection stations be complete?	<p>Three of the six data collection stations have received Conditional Use Permit approval. Two stations have been installed, and the third (Roanoke) is scheduled for installation later this quarter.</p> <p>The project is designated as an Essential Public Facility (EPF) under Mercer Island City Code 19.16.010.E. EPFs are permitted in all zoning districts with a CUP. These permits are processed as Type IV Land Use Reviews, which include public noticing, a 30-day public comment period, a public hearing before the Hearing Examiner, and a formal Notice of Decision.</p> <p>Staff will present the remaining two CUP applications to the Hearing Examiner in June. The final base station/pole agreement is being finalized.</p> <p>Due to a delay in the deployment of data collection stations and an update to the software platform, the launch of the customer portal is now anticipated to go live in the fall of 2025.</p>
4	6680	Reynolds	EOY 2024 fund balance is 5.3 MM. Why does Figure 1 start with 2.5?	<p>For the purposes of building a financial forecast model, staff assumed an available beginning fund balance in the General Fund of \$2.5 million. This assumes the remaining \$2,784,283 of the \$5,284,283 2025 available beginning fund balance will be obligated to emerging needs in 2025. This will be discussed in detail with the City Council at a future City Council meeting.</p>
5	6680	Reynolds	Figure 1 shows property tax revenue going up 1.7% a year. Are you only assuming 0.7% for new construction? Hasn't it typically been about twice that>	<p>The 1.7% annual increase includes the 1% maximum annual permitted by state law plus new construction and re-levy from prior years.</p> <p>New construction and the re-levy from prior years is tracking less than 1%, resulting in the 1.7% projection year-over-year.</p>

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6	6680	Reynolds	Why is the contingency fund balance 13.1% of expenditures? Isn't our target 12.5%?	<p>Correct. The Contingency Fund balance has remained unchanged since the first quarter of 2024. City Council action is required to reduce the Contingency Fund's balance. A reduction of \$217,744 would be needed to meet the 12.5% target for the 2025 General Fund adopted expenditure budget.</p> <p>General Fund expenditures change as the City Council amends the adopted budget via budget amending ordinances throughout the biennium. Staff does not recommend adjusting the current balance in the Contingency Fund at this time. This is a policy decision to revisit during the Mid-Biennial Budget discussion this fall.</p>
7	6680	Rosenbaum	As it comes to predicting future revenues, do you have a recommendation around how we should think about funding from the Federal or State Government? Is NLC or NCSL tracking how proposed cuts at the federal level could impact cities such as Mercer Island?	<p>Between Washington state grappling with a budget deficit and major spending cuts proposed at the Federal level, staff anticipate a contraction of state and federal resources during the current budget cycle. Federal-local partnerships are being reexamined as are the shared responsibilities between local, state, and the federal government.</p> <p>The National League of Cities is tracking four federal legislative efforts underway to reduce federal spending: budget reconciliation, the new tax bill, a spending recissions bill, and budget appropriations for 2026, all that could reduce regulatory costs for local governments, but at the expense of eliminating direct federal funding for local priorities. A helpful article is available here.</p> <p>Areas vulnerable to federal spending cuts include resources to increase affordable housing supply, enhance water infrastructure, and create low-interest options for municipal financing.</p> <p>The City is not dependent on federal funding for current operations at this time. There may be fewer State grant opportunities in the future, given that many State grants are supported by federal funding.</p>

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8	6682	Reynolds	I see \$58,845.30 for SCORE charges. I do not recall ever seeing anything nearly that high. What is giving rise to such charges this month? What is our annual budget for prisoner incarceration?	This payment is for the October 2024, November 2024, December 2024, and March 2025 invoices. Monthly invoices are \$13k - \$18k per month from SCORE.
9	6685	Reynolds	I note that the insurance certificate provides only \$1 MM in coverage per incident + a \$4 MM umbrella. It seems to me that if just one home caught fire as a result of the display, the limit could easily be pierced. How much insurance do we REQUIRE? How much do neighboring cities require for such displays? Is insurance for larger amounts available in the market?	<p>The insurance limits are established in the Mercer Island City Code Section 8.04.040. Since this is a City special event, the City is also insured.</p> <p>Staff do not have the capacity to research the insurance requirements for neighboring cities or insurance limits at this time. If the majority of the City Council would like this research conducted or would like to add this as a future work item, a motion would be required to do so.</p>
10	6686	Reynolds	Steve Milton app says he has been on utility board for 10 years, but summary doc says 3 years 9 months. Which is correct?	<p>This is Mr. Milton's second round of service on the Utility Board. He was first appointed on June 3, 2013 and served two terms through May 31, 2021.</p> <p>Mr. Milton did not submit an application seeking reappointment during the annual recruitment in the spring of 2021, leading to a break in his term from June 1, 2021 – August 30, 2021. There were still vacancies on the Utility Board after the annual recruitment and another recruitment was opened in summer 2021.</p> <p>Mr. Milton submitted an application during the second round of recruitment in summer 2021 and he was then appointed for his third (current) term on August 31, 2021.</p>
11	6687	Reynolds	Has the presence of streams and wetlands and related setbacks, been field verified by Mercer Island Staff?	The presence of critical areas has been reviewed using the City's GIS data. City staff have not field verified such. Field verification of critical areas is not a requirement of the King County PBRS program. The City receives no revenue or application fees as part of this process and therefore no additional analysis is undertaken.

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12	6688	Reynolds	Do we have any “repeat offenders for public disorder crimes”?	Public disorder crimes include shoplifting, public drug use, vehicle prowling, trespassing, and other low-enforcement crimes. This work item was added by the City Council during the biennial budget process at the end of last year. Staff have recently begun working on this item. Mercer Island does not have a significant number of repeat offenders, however staff plan to analyze the data for these crimes as part of the research conducted for this work item.
13	6688	Reynolds	Are shopping carts being used by organized crime on MI? In what way?	<p>Shopping cart theft, while seemingly minor, can be connected to organized retail crime as people/groups steal carts to facilitate the theft of merchandise, move stolen goods, and avoid detection. In neighboring jurisdictions where transit centers are operational, shopping carts are used to facilitate public disorder crimes.</p> <p>There is a history of shopping carts being used to commit retail thefts on Mercer Island (specific crime data not yet available); however, shopping carts are not often used to transport stolen items from businesses on Mercer Island.</p> <p>This policy work is being conducted to prepare for the potential of an increase in nefarious activities when the Sound Transit Light Rail Station opens. Staff are looking to have enforcement mechanisms in place prior to the opening.</p> <p>Staff have just recently begun working on this item. As part of the research on this work item, staff will assess the data for shopping cart thefts and include that information in subsequent presentations to the City Council.</p>
14	6688	Reynolds	What, if any, properties on MI are designated as historic landmarks?	The staff do not have time to research this ahead of the City Council meeting. Information on historic landmarks will be included with the work item related to HB 1576.

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15	6690	Reynolds	"Shorewood will become a wholeale customer of Mercer Island". Does that mean they will be buying water at wholesale rates or at the same rates everyone else at MI pays? Will their water have gone though our booster chlorination system before they get it?	Shorewood would become a customer of Mercer Island and would purchase water from the City per the City Council approved utility rates, not a wholesale rate. Water provided to Shorewood would travel from the City Reservoir tanks which would allow the Booster Chlorination System to be operational for Shorewood.