

Mid-Biennial Budget Review

AB 5633 | November 19, 2019



Agenda

- Public Hearing
- 2019 Third quarter financial status report
- Resolutions & Ordinances
 - a) 2020 NORCOM resolution
 - b) 2020 Utility rate resolutions
 - c) 2020 property tax ordinances
 - d) 2019-2020 Budget Adjustment



Mike Bailey – Finance Consultant



- Mike Bailey has worked in local government finance since 1980.
- He was the City of Redmond Finance & Technology Director for the past 10 years.
- He is a former president of the Washington Government Finance Officers Association (WFOA) and served on their Executive Board.
- Mike is a CPA and his BA and MBA are from the University of Puget Sound.
- He currently serves as a Finance Consultant at MRSC.



Consulting Contract

- Perform an assessment of the City's Finance Department. This includes the staffing structure, business systems, polices and more.
- Provide support and assistance to the Interim Finance Director for long-range forecasting, mid-biennial budget review, etc.
- Attend 2020 Council Planning Session to support the long-range financial planning discussion.
- Assess other finance related functions (payroll, online payments, etc.).



LaJuan Tuttle – Interim Finance Director



- LaJuan has two decades of experience with the City.
- Her roles at the City include serving most recently as Deputy Finance Director, and previously as Accounting Manager, Accounting Supervisor, and Senior Accountant. She joined the Mercer Island team in 1998 as the Accounting Clerk.
- She has performed nearly every function in the Finance Department including managing the biennial budget process.
- LaJuan earned a B.A. in Accounting from the University of Puget Sound.



Public Hearing

Open public hearing to receive public comment on the City's financial status and the proposed rate resolutions and ordinances for 2020



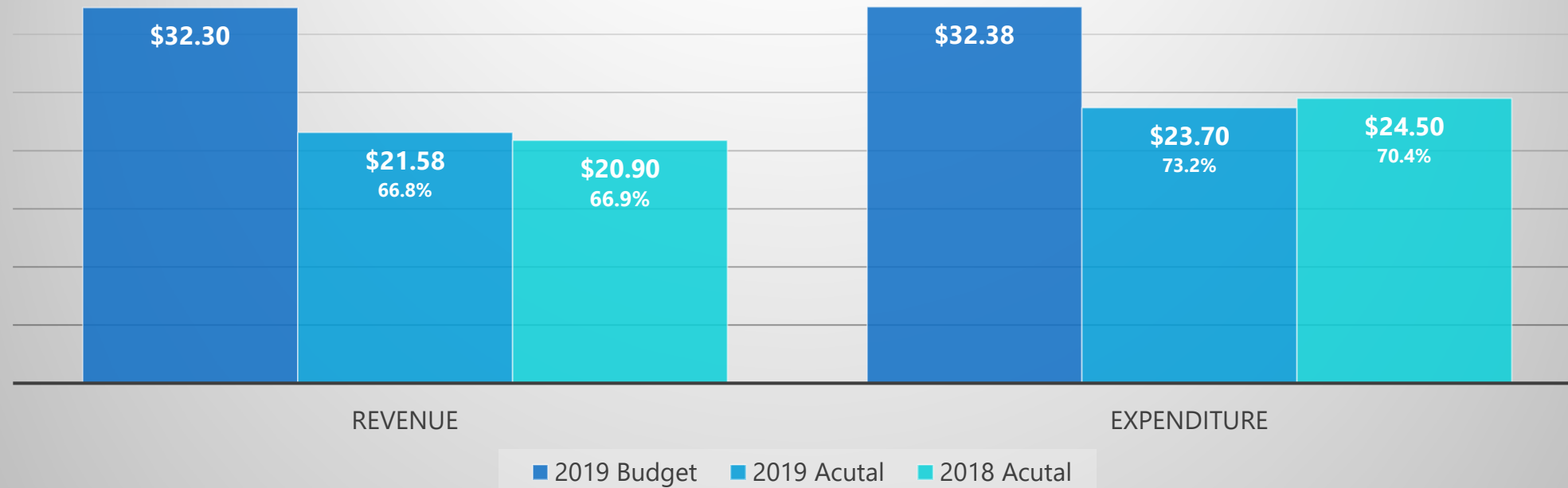
Financial Status Report

1. General Fund
2. Utility Funds
3. All other funds
4. Budget Adjustments



General Fund

**General Fund
Revenue & Expenditure
(in millions)**



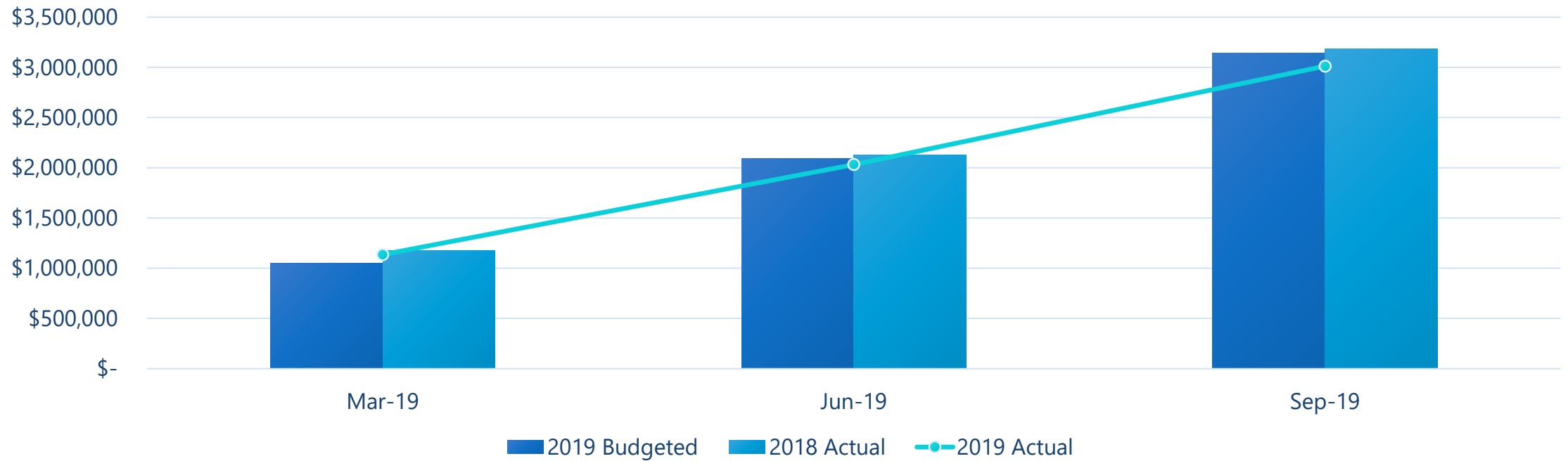
General Fund Sales Tax

Business Sector	Year to Date 9/30/2018	Year to date 9/30/2019	Increase / (Decrease)	2018 % of Total	2019 % of Total
Construction	\$1,374,020	\$1,267,182	(\$106,838)	41.0%	38.0%
Retail & Wholesale Trade	910,453	972,269	61,816	27.2%	29.1%
Admin & Support Services	245,546	262,806	17,260	7.3%	7.9%
Food Service	168,126	180,903	12,777	5.0%	5.4%
All Other Sectors	653,477	652,570	(907)	19.5%	19.6%
Total	\$3,351,622	\$3,335,730	(\$15,892)		



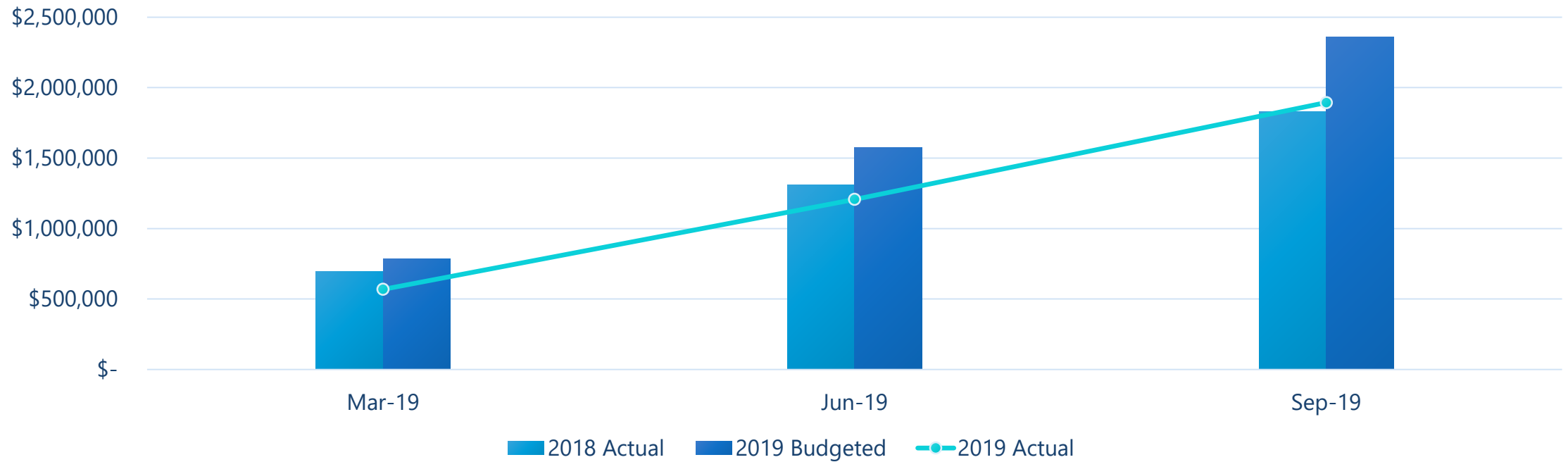
General Fund Utility Taxes

Utility Tax Revenues



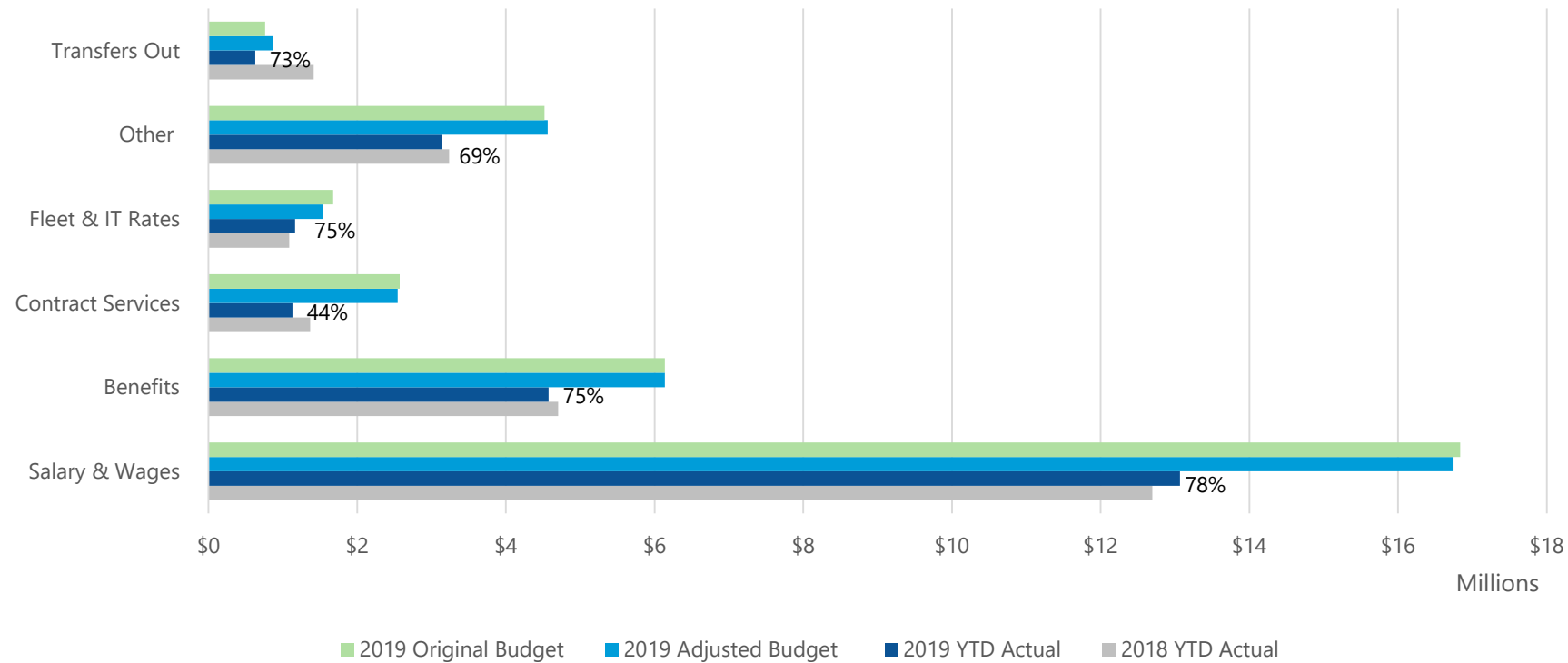
General Fund Permit & Land Use Revenue

Permit and Land Use Revenues

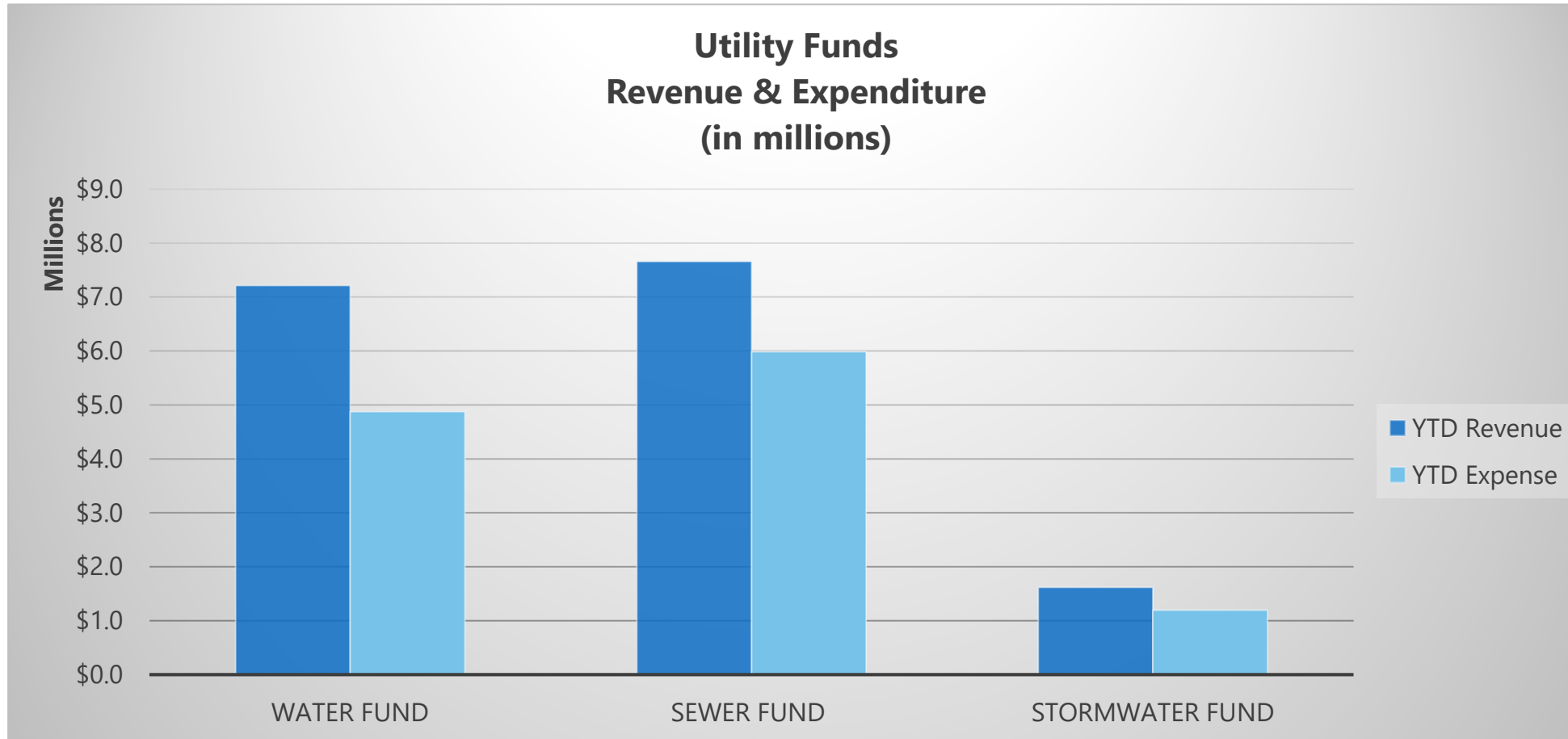


General Fund Expenditures

Expenditures by Category



Utility Funds



Budget Adjustments

Fund	Department	Description	Agenda Bill	Budget Year	Amount	Funding Source(s)
Contingency	Non-Dept'l	Interfund transfer to Town Center Parking Facilities Fund	AB 5625, 11/04/19	2019	\$63,055	Unappropriated fund balance
Youth & Family Services	YFS	Sober Truth on Preventing Under-Age Drinking (STOP Grant) and Partnership for Success, Strategic Prevention Framework (SPF Grant)	AB 5615, 11/4/19	2019	\$87,150	SAMHSA Grants
		Sober Truth on Preventing Under-Age Drinking (STOP Grant) and Partnership for Success, Strategic Prevention Framework (SPF Grant)	AB 5615, 11/4/19	2020	\$348,600	SAMHSA Grants
Town Center Parking Facilities	City Manager's Office	Additional due diligence, negotiation, and other costs related to City's proposed commuter parking and mixed- use project	AB 5625, 11/4/2019	2019	\$63,055	Interfund transfer from Contingency Fund



Budget Adjustments

Fund	Department	Description	Budget Year	Amount	Funding Source(s)
General	Parks & Recreation	Restore sport and fitness recreation & community programs for youth, seniors and families	2019	\$20,000	King County Get Active, Stay Active grant
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General	Police	Restore community based outreach	2020	\$20,000	Private Donation
Storm Water	Public Works	Water quality and stormwater capacity	2019	\$50,000	WA Dept of Ecology Grant



NORCOM

Decrease of \$51,593 as compared to actual cost in 2019.

Savings of \$87,623 compared to 2020 budget for dispatch services

Department	2019 Allocation	2020 Budget	2020 Allocation	Change 2019 vs 2020 Actual	Budget Savings
Mercer Island Police	\$616,775	\$647,614	\$569,569	(\$47,206)	\$78,045
Mercer Island Fire	\$169,409	\$174,600	\$165,022	(\$4,387)	\$9,578
Total	\$786,184	\$822,214	\$734,591	(\$51,593)	\$87,623



Utility Rate Resolutions

- At its September 10, 2019 and October 8, 2019 meetings, the Utility Board approved increases for water, sewer, stormwater and EMS utility rates.
- The 2020 bi-monthly bill impact on an average single-family residential customer is noted in the table below.

Utility Rate Component	2019 Adopted	2020 Proposed	\$ Change		% Change	
			2019	2020	2019	2020
Water	\$117.48	\$125.12	\$7.17	\$7.64	6.5%	6.5%
Sewer (City portion)	\$91.23	\$98.26	\$6.52	\$7.03	7.7%	7.7%
Sewer Treatment (King County)	\$90.66	\$90.66	\$2.22	\$0.00	2.5%	0.0%
Stormwater	\$34.66	\$35.77	\$1.07	\$1.11	3.2%	3.2%
EMS	\$9.29	\$9.56	\$0.15	\$0.27	1.6%	2.91%
Total	\$343.32	\$359.37	\$17.13	\$16.05	5.3%	4.7%



Property Tax

The 2019-2020 Budget was balanced assuming the Council approves the 1.0 percent optional increase for both the 2019 and 2020 fiscal years.

The 1.0 percent is added to the regular levy and levy lid lifts.

Levy Elements	2019 Final Levy	1% Increase	2020 Prelim Levy
Regular Levy:			
Prior Year Levy	\$12,012,111	\$120,121	\$12,132,232
Plus New Construction			200,000
Plus Re-levy of Prior Year Refunds	28,440		19,376
Total Regular Levy	\$12,040,551	\$120,121	\$12,351,608
Levy Lid Lifts:			
2008 Parks Maintenance & Operations	955,079	9,551	964,630
2012 Fire Station & Fire Rescue Truck	682,059	6,821	688,880
Total Levy Lid Lifts	1,637,138	16,372	1,653,510
Total Levy	\$13,677,689	\$136,493	\$14,005,118
% Change Relative to Prior Year*	1.00%		1.00%

