



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6415
March 1, 2024
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 6415: 2023-2024 Work Plan Update and Preview of 2025-2026 Work Plan	<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:	No action necessary. Receive report.	

DEPARTMENT:	City Manager
STAFF:	Jessi Bon, City Manager
COUNCIL LIAISON:	n/a
EXHIBITS:	<ol style="list-style-type: none"> 2023-2024 Work Plan Matrix 2023-2024 Biennial Budget Work Plans by Department Draft 2025-2026 Biennial Budget Work Plans by Department
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 purpose of this agenda item is to provide a written update to the City Council on the status of major work items from the 2023-2024 Biennial Budget (see Exhibit 1) and preview the 2025-2026 work plan (see Exhibit 3).

BACKGROUND

As part of the year-long process leading up to the adoption of the biennial budget, staff work with the City Council to develop priorities that guide the budget process and the City’s biennial work plan.

The City’s work plan is developed to meet legal (federal, state, and local) requirements as well as to achieve the City Council’s priorities. Below are the adopted City Council Priorities and primary areas of focus for the 2023-2024 biennium:

2023-2024 City Council Priorities

Priority 1	Develop data-driven economic development and retail plans and strategies to activate Town Center and other business areas.
Priority 2	Sustain and enhance our natural environment, especially parks and open spaces, to benefit this generation and others that follow. Page 2
Priority 3	Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks.
Priority 4	Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community.

In 2021, staff created a streamlined work plan tool to better visualize and track major work items, now commonly referred to as the Work Plan Matrix (see Exhibit 1).

Major work items from the 2023-2024 biennium, as well as any work items and projects that carried over from the previous year, have been incorporated into the Matrix. The last update to the 2023-2024 Work Plan Matrix was at the October 3, 2023 Council Meeting ([AB 6345](#)).

The full list of 2023-2024 Work Plan Items, as adopted in the biennial budget, is available in Exhibit 2.

ISSUE/DISCUSSION

2023-2024 WORK PLAN UPDATES AND CHANGES

Highlights of Completed Work Items:

- Public Works completed work with King County and Recology to update solid waste rates per the new proposed solid waste rates anticipated in 2023 and 2024.
- The MICEC has exceeded its 2023 **rental booking goal** of 1,500 by 42%. For 2024, the facility has already reached 67% of the annual booking goal.
- Mercer Island Police Department has completed the implementation of the **Puget Sound Emergency Radio Network (PERSN)** for public safety communications.
- Although the litigation with Sound Transit has concluded, the City Attorney's Office continues to assist the City Manager's Office on effectuating and administering the terms of the 2017 Sound Transit Settlement agreement.
- The **Town Center Parking Plan** was adopted on November 21, 2023, and includes three strategies and several recommendations designed to make Town Center parking more functionally available, usable for different drivers, and supportive of other options for non-driving to and around Town Center. Some early actions from the Plan have been completed, such as installing new wayfinding signage in Town Center to direct community members to public parking garages, and work continues to implement other actions, such as updating the Town Center parking citation fees and scheduling 2024 parking counts. Work plan items related to the Plan are being developed for the 2025-2026 work plan now.
- The **Mercer Island Thrift Shop** exceeded its goal of increasing revenue by 10% in 2023, by increasing it 16%.

- The Fire Department purchased and deployed 22 new **automatic emergency defibrillators** in Fire vehicles and City facilities.
- The **Puget Sound Emergency Radio Network (PSERN)** for public safety communications was successfully implemented.

Updates to Work Items:

- The Recreation Division implemented the **Civic Optimize software tool**. This tool has significantly improved the ease of submitting and processing event permit requests and athletic field and MICEC rental requests. Moving through 2024, staff will implement this tool to capture data around user experience and satisfaction.
- Work on the **interlocal agreements with MISD** has stalled due to changing priorities. This has delayed the development of a revised funding plan for the Turf Sinking Fund. In 2024, the Recreation Division will continue to track and document usage, maintenance, and anticipated replacements for synthetic turf facilities to inform on future development of the funding plan.
- **Parks Levy:** Parks and Recreation Staff will continue public engagement for the design of First Hill Park and Deane's Children's Park playgrounds and construct the Roanoke Park and First Hill Park playground replacements. Staff will continue working with contractors to advance progress on the Pioneer Park Forest Health Plan and hold volunteer forest stewardship events in open spaces across Mercer Island.
- **Financial Management Software:** Work is on track to implement the City's new enterprise-wide financial management software systems called Enterprise ERP (EERP). Core project team members converted financial data for fiscal years 2021 and 2022 from old software into EERP. Work to convert fiscal years 2023 and 2024 financial data will continue through the calendar year while staff determines the best way to consistently pull financial information from third party software into EERP. Overall, EERP is fully configured. The project team is busy testing and fine-tuning software, so it organized to best serve Mercer Island. Staff trainings are scheduled for the second half of 2024 in preparation of a go-live date with core financial software systems January 1, 2025. The core project team is scheduled to provide the City Council with a project update later this summer.
- **Cost Allocation Plan:** The City Council Finance Ad Hoc committee met in January and February to discuss how the City accounts for full allocated costs of a public service by including indirect or "overhead" costs in addition to direct service costs. The Ad Hoc committee provided feedback that improved both the cost allocation plan's policy language and the basis of allocating internal service costs. Staff will bring the cost allocation plan and resulting updates to the City's Financial Management Policies for City Council review and adoption later this year.
- The City Council Finance Ad Hoc Committee will be meeting to review the **citywide compensation plan** in the next two months. Following the Committee's review and feedback, staff will bring the plan to the entire City Council for approval. Once adopted, the City Manager will begin implementing the new classification and compensation plan.
- Communications staff are beginning work on the **2024 community survey** to help inform the 2025-2026 biennial budget process.
- The City Attorney's Office has been supporting the City Manager's Office on real estate matters that have been triggered and accelerated by the closure of City Hall.
- The City Manager's Office, with staff support from other departments, is continuing oversight of the development of the Town Center Long-Term Regional Transit Commuter Parking Project, a surface

commuter parking lot on the former Tully's and adjacent City owned properties in Town Center. This project is eligible for reimbursement under the City's settlement agreement with Sound Transit. The project is in design phase in Q1/Q2 of 2024, with the City likely beginning construction in Q4 of 2024.

- Community Planning and Development is scheduled to bring the **Comprehensive Plan Periodic Update** for City Council Review beginning in July 2024 with adoption planned for September-October 2024.
- The City Council re-adopted the **2021 Construction Codes Update** according to state requirements after the Washington State Building Code Council delayed their findings and guidelines last spring and last fall to consider modifications to the energy codes. The updated codes go into effect March 15, 2024.
- **Luther Burbank Docks Reconfiguration and Repair Project:** The Luther Burbank Park Waterfront construction is broken into two phases. The construction bid for the boiler building was recently awarded, and this first phase is anticipated for completion in Q3 2025. The second phase of construction is dependent on permit "fish windows" limiting construction timeframes for in-water work. Completion anticipated by Q4 2025.
- **Complete the Water Meter Replacement Project by Q3 2024:** Meters are expected to be replaced by Q4 2024, and the supporting infrastructure is anticipated to be complete by Q4 2025. A Study Session with the City Council to discuss this project is scheduled for March 5, 2024.
- The City Manager's Office is overseeing the development of the **Town Center Long-Term Regional Transit Commuter Parking Project**, a surface commuter parking lot on the former Tully's and adjacent City owned properties in Town Center to serve auto and bicycle commuters using the future Sound Transit light rail station. This project is eligible for reimbursement under the City's settlement agreement with Sound Transit. City Council has approved the site concept and directed the City Manager to proceed with design. The project is currently in design phase through Q1/Q2 of 2024, with the City likely beginning construction in Q4 of 2024.
- **YFS' Food Security Program** has undergone a few changes. The HopeLink Mobile Market delivers and distributes fresh and shelf stable food items to Island residents in need twice a month at the Community Center. This is a trial phase help to address food security needs on Mercer Island as the Program moves away from the use of grocery gift cards.
- Youth & Family Services Leadership are beginning work on the **Community Needs Assessment** with BERK Consulting. The City Council funded this work with ARPA dollars with the approval of the budget proposal in May 2023. Staff will return to the Council in Q3 2024 with the results of the Assessment.

Items Related to the Closure of City Hall

The entirety of the City's Work Plan for 2023-2024 has been affected by the closure of City Hall, which is impacting every department across the organization. The City Manager's Office is managing the City's response to the closure of the building and is sharing long-term facilities planning changes and updates with the City Council and staff. The City continues to track expenditures, manage obstacles created by the closure, and is working on solutions to the City Hall closure and future facility needs.

- Mercer Island Police Department will continue to work with City Leadership to provide adequate, temporary facilities for Police operations and continue planning for future improved accommodations. The closure of City Hall has resulted in many challenges for the Police Department. These challenges include completely vacating the former police department building, moving operations to a Parks building and other remote locations, dealing with no police lobby to meet

community members, adjusting to working with no booking facility, and dealing with limited access to locker rooms, storage, and equipment.

- The City Manager’s Office is adjusting development of the **Comprehensive Facilities Assessment** to include the Annex Building at the Mercer Island Community & Event Center, City Hall, the Maintenance Facility, and the Luther Burbank Administrative Building. The Long-Range Facility Planning project, initiated in 2023, was intended to be completed in two phases, the first phase focusing on comprehensive Facilities Conditions Assessment (FCAs) for each of six buildings. The second phase of facilities planning work included the development of a Long-Range Facilities Plan for the six facilities based on assessments and data collected from the FCA process. The Long-Range Planning Work was intended to be completed in 2024 and anticipated an extensive public engagement process. The closure of City Hall in early 2023 redirected the trajectory of the planning process. In 2024, work will continue on the Facilities Conditions Assessments, as initially planned in 2023, with a primary focus on the Public Works Building. Meanwhile, the City will likely undertake a planning exercise to consider building replacement strategies for City Hall. The approach is to be confirmed with the City Council in early 2024.
- City Manager’s Office staff have continued to work with outside consultants on short- and long-term rental and real estate opportunities and as well as planning for and completing necessary facility upgrades for relocating displaced staff.
- The Recreation Division provided staffing and facility support to the closure of City Hall. The team collaborated with project managers to provide additional office space, meeting space, and facility access to the MICEC. Despite the associated challenges recreation service levels were maintained.
- The City Clerk’s office is hiring a trained Records Business Systems Analyst to manage records management, destruction, and scanning for all City Hall records.
- The Mercer Island Municipal Court staff moved into their new office suite in the Newcastle City Hall building in January and have been holding court proceedings in the Newcastle Council Chambers.
- The Slater Room at the Mercer Island Community & event Center has been transformed into the temporary Council Chambers for City Council and boards and commission meetings.

2025-2026 WORK PLAN DEVELOPMENT

Attached as Exhibit 3 are the preliminary department work plans for 2025-2026. Staff have collected work items that will need to be addressed in the upcoming biennium for the City Council to review in advance of the biennial budget process this fall. The preliminary drafts will help inform Council discussions of proposed initiatives and projects for the 2025-2026 biennium.

NEXT STEPS

The next update to the 2023-2024 Work Plan is scheduled for Q3 2024. The 2025-2026 Work Plan will be reviewed and adopted by the City Council during the 2025-2026 Biennial Budget process in the fall.

RECOMMENDED ACTION

Receive report. No action necessary.