



**BUSINESS OF THE CITY COUNCIL  
CITY OF MERCER ISLAND**

**AB 6090  
June 7, 2022  
Regular Business**

**AGENDA BILL INFORMATION**

<b>TITLE:</b>	AB 6090: Introduction to Parks Levy Renewal and Discuss Alternatives	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Provide direction to staff on parks levy renewal.	

<b>DEPARTMENT:</b>	City Manager
<b>STAFF:</b>	Jessi Bon, City Manager Robbie Cunningham Adams, Management Analyst
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	<ol style="list-style-type: none"> <li>1. Playground Replacement Lifecycle</li> <li>2. 2023-2028 Parks Capital Improvement Plan (CIP)</li> <li>3. Draft Park Levy Lid Lift Ordinance</li> <li>4. Draft Explanatory Statement</li> <li>5. Sample Pro and Con Committees Recruitment Language</li> </ol>
<b>CITY COUNCIL PRIORITY:</b>	2. Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability.

<b>AMOUNT OF EXPENDITURE</b>	\$ n/a
<b>AMOUNT BUDGETED</b>	\$ n/a
<b>APPROPRIATION REQUIRED</b>	\$ n/a

**EXECUTIVE SUMMARY**

The purpose of this agenda bill is to receive direction from the City Council on the parks levy renewal.

- The current parks levy was approved by the Mercer Island community in 2008 and expires at the end of 2023. The levy provides funding to operate and maintain Luther Burbank Park and supports operations at all city parks, trails, athletic fields, open spaces, and recreation facilities
- The recommendation is to place the parks levy renewal on the November 8, 2022 ballot, a full year ahead of the expiration of the current levy.
- Should the levy pass in November, City Council action will be required to end the current levy one year early.
- The parks levy renewal recommendation includes the following:
  - Base levy: Maintains the current parks levy amount and levy categories. The 2023 proposed base levy amount is \$989,923 and includes a 1% annual increase from 2022.

- Option 1: Proposes additional funding for ongoing playground replacements, the alternatives vary from funding 25% of the playground replacement costs over the life of the levy (\$109,000 annually) to fully funding the replacement costs (\$438,000 annually).
  - Option 2: Proposes increasing the annual funding for Pioneer Park to fund the restoration projects identified in the Pioneer Park Forest Management Plan. The funding alternatives range from \$36,000 to \$468,000 annually with the latter representing full funding of the Forest Management Plan.
- A draft ordinance and explanatory statement are provided, in addition to sample recruitment language to serve on the Pro or Con committee

Staff are seeking feedback from the City Council on the parks levy renewal components, in addition to the timing of the ballot measure.

Should the City Council not wish to pursue a parks levy renewal this November, the staff will return for a follow-up discussion at a later date in preparation for a ballot measure some time in 2023.

## BACKGROUND

### Parks Levy History

In 2001, King County approached the City of Mercer Island about transferring long-term ownership and operation of Luther Burbank Park to the City. The transfer of the park property was finalized in 2002.

In 2003, the Mercer Island community approved a six-year parks levy to fund the operations and maintenance of Luther Burbank Park. The \$415,000 annual levy passed with 55% voter approval.

In 2006, the Luther Burbank Park Master Plan was adopted and established the long-term vision for the park, including providing the framework for future capital investments.

In 2007, a Citizen's Stakeholder Committee was formed to prepare a recommendation on a parks levy ballot measure to replace/renew the 2003 Parks Levy. The Stakeholder Committee recommended that the parks levy should be expanded to support system-wide parks maintenance and operations in addition to funding Luther Burbank Park.

### 2009 Parks Levy (Current Levy)

In 2008, the Mercer Island community approved a 15-year parks levy. The scope of the levy included funding to continue operating Luther Burbank Park and to support operations at all city parks, open spaces, and recreation facilities. The \$900,000 annual levy passed with 54% voter approval and began in 2009.

The City Council allocated parks levy funding to specific budget categories as shown in the table on the next page. The funding was split between operations and maintenance (O&M) and capital.

<b>2009 Operations &amp; Maintenance Levy (Voter Approved)</b>	
Luther Burbank Park (O&M)	\$370,000
School Related Park & Recreation Activities (O&M)	\$260,000
Capital Projects (O&M)	\$128,000
Pioneer Park Forest Management (Capital)	\$77,000
Open Space/Vegetation Management (Capital)	\$65,000
<b>Total</b>	<b>\$900,000</b>

While voters approved the \$900,000 parks levy, they did not approve an accompanying park bond measure, which required 60% approval and would have funded various capital improvement projects.

The approved parks levy included \$128,000 in operations and maintenance funding for the capital projects associated with the bond measure. When the City Council enacted the 2009 parks levy, they opted to remove the operations and maintenance funding for the bond-related capital projects and replaced it with \$110,000 for Luther Burbank Small Capital Projects. The final amount levied in 2009 was \$882,000, establishing the basis for the 15-year levy.

It is also worth noting that sometime during the life of the 2009 levy (likely around 2010) the reference to “School Park and Recreation Activities” was changed to a more general “Parks Maintenance O&M.” This was a reference/text change only and did not impact the budget or the parks levy. The parks operations & maintenance funds collected via the levy are part of the General Fund and support a wide range of maintenance activities including athletic field maintenance. The table below reflects the final funding categories for the 2009 parks levy.

<b>2009 Operations &amp; Maintenance Levy (Implemented)</b>	
Luther Burbank Park (O&M)	\$370,000
School Related Park & Recreation Activities (O&M)	\$260,000
<u>Parks Maintenance (O&amp;M)</u>	<u>\$260,000</u>
<u>Capital Projects (O&amp;M)</u>	<u>\$128,000</u>
<u>Luther Burbank Small Capital Projects (Capital)</u>	<u>\$110,000</u>
Pioneer Park Forest Management (Capital)	\$77,000
Open Space/Vegetation Management (Capital)	\$65,000
<b>Total</b>	<b>\$882,000</b>

### **2022 Parks Levy Allocations**

In 2022, the annual parks levy amount is \$980,122. The 1% statutorily allowed increase was taken in all but two years over the life of the current parks levy. The 1% increase was applied to the operations and maintenance components of the parks levy, while the capital funding categories remained flat. The table below compares the initial levy amount in 2009 with the current levy amount in 2022.

<b>2009 vs. 2022 Parks Levy Budget Allocations</b>		
	2009 Allocation	2022 Allocation
Luther Burbank Park (O&M)	\$370,000	\$373,007
Parks Maintenance (O&M)	\$260,000	\$355,115
Luther Burbank Small Capital Projects (Capital)	\$110,000	\$110,000
Pioneer Park Forest Management (Capital)	\$77,000	\$77,000
Open Space/Vegetation Management (Capital)	\$65,000	\$65,000
<b>Total</b>	<b>\$882,000</b>	<b>\$980,122</b>

In 2022, the General Fund receives \$728,122 of the levied amount to support operations and maintenance at parks and athletic fields. This includes fully funding operations and maintenance at Luther Burbank Park at current service levels.

The remaining \$252,000 is allocated to the Capital Improvement Fund in support of Luther Burbank Park Small Capital Projects (\$110,000), Pioneer Park Forest Management (\$77,000), and Citywide Open Space Vegetation Management (\$65,000). This annual allocation for capital projects has been unchanged since 2009.

#### **2022 Parks Operations & Maintenance Budget**

In 2022, the parks operations and maintenance budget is \$2.34 million, see expenditure and revenue tables below. In total, 31% of the funding for parks operations and maintenance is derived from the current parks levy.

<b>2022 Parks Operations &amp; Maintenance Expenditures</b>		
<b>Expenditure Category</b>	<b>Amount</b>	<b>%</b>
Park Maintenance	\$876,591	37%
Aubrey Davis Park Maintenance	\$530,778	23%
Luther Burbank Park Maintenance	\$373,007	16%
Athletic Field Maintenance	\$294,223	13%
Park Maintenance School Fields	\$195,842	8%
Trails Maintenance	\$69,690	3%
<b>Total</b>	<b>\$2,340,131</b>	

<b>2022 Parks Operations &amp; Maintenance Revenue</b>		
<b>Revenue Category</b>	<b>Amount</b>	<b>%</b>
Sales/B&O/Other Property Taxes*	\$842,447	36%
Parks Levy	\$728,122	31%
WSDOT (Aubrey Davis Park)	\$570,596	24%

User Fees	\$198,966	9%
<b>Total</b>	<b>\$2,340,131</b>	

\*The tax revenue amounts are estimated and represent the parks operations and maintenance proportionate share of the total tax revenue received in the General Fund.

### **Overview of Current Parks Levy Funding Categories**

#### Luther Burbank Park O&M and Small Capital Projects - \$483,007 in 2022

The current parks levy funds nearly 100% of the maintenance and operation of Luther Burbank Park at current service levels and provides funding for small capital projects identified in the Luther Burbank Master Plan. Luther Burbank Park includes 73 acres of parks and open space, 0.75 miles of shoreline and waterfront infrastructure, and 4.24 miles of trails. Levy funds support a wide variety of park maintenance activities, including planter beds, lawn upkeep, tree care and pruning, litter pick-up, garbage/recycling receptacles, and more. In addition, current levy funds maintain the recreation facilities in the park, including the two playgrounds, tennis/pickleball courts, the trail system, the docks, and the swim beach, in addition to the maintenance of the Luther Burbank Administration Building, the Boiler Building and two restroom facilities.

#### Parks Maintenance O&M - \$355,155 in 2022

The current parks levy supports operation and maintenance of over 200 acres of park land (not including open space areas, Pioneer Park, or Luther Burbank Park). This work includes landscaping and lawn care, maintenance of restrooms, sport courts, and picnic shelters and preservation of shorelines. This funding also supports maintenance of 28 miles of walking paths and trails, in addition to 14 playgrounds. And finally, this levy funding, combined with user fees, supports the maintenance and operation of athletic fields across the Island including Island Crest Park, the South Mercer Playfields, and Homestead fields.

#### Pioneer Park Forest Management - \$77,000 in 2022

Pioneer Park and Engstrom Open Space provide 122 acres of forested park land, comprising 43% of the open space in the city. Management of these properties is guided by the 2003 Pioneer Park Forest Management Plan. This plan focuses on canopy regeneration, invasive tree removal, and ivy and invasive weed management as the key steps towards achieving a healthier and more resilient forest. The current levy supports key elements of this plan by funding the removal of holly and other weedy tree infestations in the forest understory and the planting of 15,000 native trees and shrubs in 75 of the 122 acres of Pioneer Park and Engstrom Open Space.

#### Open Space/Vegetation Management - \$65,000 in 2022

The City maintains 164 acres of open space throughout Mercer Island in addition to Pioneer Park and Engstrom Open Space. The Open Space Vegetation Plan, adopted in 2004 and updated in 2014, guides stewardship and restoration in these open spaces with a focus on maintaining functional benefits and developing resilient plant communities. Current levy funding supports management of these open spaces using ecological restoration best practices, including the removal of ivy from the base of existing canopy trees across 95 acres of forest and planting nearly 16,000 native trees and shrubs.

## ISSUE/DISCUSSION

The current parks levy expires at the end of December 2023 and there are a series of decisions to be made as the City Council contemplates the parks levy renewal:

- Election Date for Parks Levy Renewal
- Timing of Levy Implementation
- Length of the Parks Levy
- Parks Levy Components and Annual Funding Levels
- Development of Ballot Ordinance
- Formation of Pro and Con Committees

Each of these decision points is further detailed below.

### Election Date for Parks Levy Renewal

The City Council has several options to consider in setting a date for the renewal of the parks levy. The election dates along with the dates the City Council is required to take action are provided in the table below.

Upcoming King County Election Dates and Deadlines	
Election Date	Ballot Materials Submission Deadline
November 8, 2022	August 2, 2022
February 14, 2023*	December 16, 2022
April 25, 2023*	February 24, 2023*
August 1, 2023*	May 12, 2023*
November 7, 2023*	August 1, 2023*

\* Preliminary, subject to confirmation by the Washington Secretary of State.

### Recommendation:

Of the options presented in the table above, staff recommends placing a park levy renewal measure on the November 8, 2022 ballot. City Council action on a ballot ordinance will need to be taken by July 19, 2022 to meet the August 2, 2022 King County submittal deadline. Staff are supported by outside bond counsel and prepared to meet these deadlines.

### Timing of Parks Levy Implementation

State law requires a voter approved levy to be enacted within 12-months of the election. Should the City Council choose to move forward with the November 8, 2022 election date and should the levy pass, the City Council will need to take action to set its 2023 levy accordingly, which will involve ending the current levy one year early and replacing it with the newly approved levy. This will occur as part of the biennial budget process.

### Length of the Parks Levy

Per State Law, the term of a levy can be temporary (meaning that the City will receive revenue from the levy for a set number of years), or permanent. Historically, Mercer Island has enacted temporary levies. The current parks levy has a length of 15-years and replaced a previous 6-year levy.

Recommendation:

Staff recommends setting the parks levy renewal term at 15-years. If approved by the voters, the new levy will commence on January 1, 2023 and end on December 31, 2037.

**Parks Levy Components and Annual Funding Levels**

Staff has prepared several levy scenarios for consideration by the City Council. This includes a base levy renewal, which essentially replaces the current levy and two options. The first option proposes new funding for ongoing playground replacements and the second option proposes increasing the annual funding amount for Pioneer Park.

Base Parks Levy: Maintain Current Funding Levels

The 2023 proposed parks levy renewal maintains the base funding level and the same categories as the current levy. The 2023 funding amounts reflect a 1% annual increase applied uniformly to all levy categories.

<b>Base Levy: Maintain Current Funding Levels</b>		
	2022 (Current Levy)	2023 (Proposed Levy)
Luther Burbank Park (O&M)	\$373,007	\$376,737
Parks Maintenance (O&M)	\$355,115	\$358,666
Luther Burbank Small Capital Projects (Capital)	\$110,000	\$111,100
Pioneer Park Forest Management (Capital)	\$77,000	\$77,770
Open Space/Vegetation Management (Capital)	\$65,000	\$65,650
<b>Total</b>	<b>\$980,122</b>	<b>\$989,923</b>

Two additional parks levy funding options are further described below.

Option 1. New Annual Funding for Playground Replacements

Of the 18 playgrounds in the Mercer Island parks system, 10 are nearing the end of their useful life and will require replacement within the next 10 years (see Exhibit 1). Manufactured play equipment has a typical useful service life of 15 to 20 years, depending on play equipment condition, wear, and usage.

In addition to playground replacements, most Mercer Island playgrounds do not meet ADA or universal accessibility standards and they will be evaluated for ADA upgrades as they are replaced.

The 2023-2028 Parks Capital Improvement Plan (CIP) (see Exhibit 2) identifies the following playground replacements:

- Deanne’s Children’s Park (Castle/Swings/Climbing Rock)
- Aubrey Davis Lid B
- Secret Park
- Roanoke Park
- First Hill Park

The replacement cost for these five playgrounds over the next six years is estimated at \$2,373,000. The other 13 playgrounds in the Mercer Island parks system, except for the Mercerdale Park Playground, are expected

to be replaced during the next 15 years. The cost of these additional playground replacements is estimated at \$4,674,000, bringing the total estimated playground replacement costs over the next 15-years to \$7,047,000.

Funding Options for New Playgrounds:

Keeping up with playground replacements is cyclical in nature and a high priority for the Mercer Island parks system. The parks levy renewal provides an opportunity to direct annual funding to meet these ongoing capital funding needs.

Staff prepared four scenarios for consideration, ranging from funding 25% of the estimated annual playground replacement costs to fully funding the replacement costs over the life of the levy.

<b>Playground Replacement Funding Levels</b>	<b>Annual Amount</b>
25% Annual Funding for Playground Replacements	\$109,000
50% Annual Funding for Playground Replacements	\$219,000
75% Annual Funding for Playground Replacements	\$328,000
100% Annual Funding for Playground Replacements	\$438,000

Please note, playground replacement costs were estimated in 2021 as part of the 2022 PROS Plan update process. Cost estimates include a 3% annual escalator to address inflation.

Staff are seeking feedback from the City Council on whether to include new funding for playground replacements in the parks levy renewal and if yes, at what level.

Option 2. Increase Annual Funding for Pioneer Park Forest Management

Pioneer Park and Engstrom Open Space provide 122 acres of forested park land, comprising 43% of the open space in the city. Management of these properties is guided by [the Pioneer Park Forest Management Plan \(Forest Management Plan\) that was adopted in 2003 and updated in 2009](#). The Forest Management Plan prescribes successive forest restoration tasks that, once completed, will result in a resilient, biodiverse native forest that provides innumerable social, economic, and ecological benefits for the Mercer Island community. These tasks include the following:

- Managing invasive tree species in the understory
- Removing ivy from the base of existing canopy trees, to promote the longevity of older forest trees
- Tree planting and maintenance (Phase 1)
- Removing English ivy and other invasive plants from the forest understory
- Tree planting and maintenance (Phase 2), to ensure diversity in the age of the forest stands throughout the park

With funding support from the current parks levy over the last 14 years, significant progress has been made on the benchmarks established in the Forest Management Plan, including control of invasive trees across both properties, preservation of mature trees through ivy removal, and installation of over 15,000 native trees and shrubs.

Completing the remaining tasks in the Forest Management Plan is vital to the forest’s long-term health, by improving its resilience to the effects of climate change and reducing the risk of wildfire. This work includes



the completion of the first phase of tree planting and maintenance, the removal of English ivy and other invasive species that dominate the understory, and a second phase of tree planting that will ensure the forest contains a diverse and multi-aged canopy.

**Funding the Forest Management Plan**

To make significant progress on the work identified in the Forest Management Plan, staff estimates an additional \$468,000 is needed annually. This is in addition to the \$191,000 already included in the annual budget, of which \$77,000 is derived from the current parks levy.

<b>Optional Funding Levels for Pioneer Park</b>	<b>Annual Increase</b>
Catch-up funding to bring capital investment up to where it was in 2009	\$36,000
Fund 50% of all Forest Management projects except for second phase of tree planting	\$133,000
Fund all Forest Management Plan projects except for second phase of tree planting	\$266,000
Fully fund the Forest Management Plan projects	\$468,000

The parks levy renewal provides an opportunity to increase the annual funding for Pioneer Park towards meeting the goals identified in the Forest Management Plan. Staff are seeking feedback from the City Council on whether to include additional funding for Pioneer Park in the levy renewal.

**Development of Ballot Measure Ordinance**

Upon receiving direction from the City Council on the timing, length, and components of the parks levy renewal, staff and legal counsel will prepare a final ballot measure ordinance. A draft ordinance and explanatory statement prepared by outside bond counsel are attached as Exhibits 3 and 4.

For a November 8, 2022 election, the first reading of the ballot measure ordinance is anticipated on July 5, 2022 and the second reading on July 19, 2022.

**Formation of Pro and Con Committees**

Although it is not a legal requirement, the entity placing a measure on the ballot typically facilitates the formation of a Pro and Com committee to prepare respective statements (and rebuttals) for inclusion in the election guidebook.

Upon receiving direction from the City Council to prepare a ballot measure, the City Manager will solicit applicants from the community to serve on the Pro and Com committees. The solicitation will mirror what is typically done for board and commission recruitments, with recruitment announcements provided across multiple communication channels.

The applications received from the community will be presented to the City Council at a subsequent meeting and the City Council will make appointments to each of the committees. The committees will be comprised of a maximum of three individuals. For the November 8, 2022 election, Pro and Con Statements are due to King County by August 9, 2022 and Rebuttals are due by August 11, 2022.

Sample recruitment language to serve on the Pro or Con committee is attached as Exhibit 5.

## **NEXT STEPS**

Following direction from the City Council to prepare a parks levy renewal ballot measure for the November 8, 2022 election, staff will complete the following steps:

1. Finalize the components and funding levels for the parks levy renewal and return to the City Council for concurrence (if needed) at the June 21 City Council meeting.
2. Begin applicant recruitment for the Pro and Con committees.
3. Finalize ballot and ordinance language for a first reading on July 7, 2022 and a second reading and final approval on July 21, 2022.
4. Submit required election materials to King County by August 2, 2022.

Alternatively, should the City Council not wish to pursue a parks levy renewal this November, the staff will return for a follow-up discussion at a later date in preparation for a ballot measure some time in 2023.

## **RECOMMENDED ACTION**

Authorize and direct the City Manager to take preliminary actions necessary to prepare for a parks levy renewal measure to be placed on the November 8, 2022 ballot.