



# BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

**AB 6585**  
**December 3, 2024**  
**Consent Agenda**

## AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 6585: 2025-2026 Biennial Budget Adoption	<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
<b>RECOMMENDED ACTION:</b>	Adopt Ordinance No. 24-21 to approve the 2025-2026 Biennial Budget.	

<b>DEPARTMENT:</b>	Finance
<b>STAFF:</b>	Matthew Mornick, Finance Director LaJuan Tuttle, Deputy Finance Director
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Preliminary 2025-2026 Biennial Budget at <a href="http://www.mercerisland.gov/budget">www.mercerisland.gov/budget</a> 2. Ordinance No. 24-21
<b>CITY COUNCIL PRIORITY:</b>	4. Focus efforts and actions to be an environmentally and fiscally sustainable, connected, and diverse community.

## EXECUTIVE SUMMARY

This agenda bill outlines the final step in the City Council’s 2025-2026 Biennial Budget review process, which includes adoption of the 2025-2026 Biennial Budget.

- Per Washington State law, the City Manager is required to deliver a balanced preliminary biennial budget to the City Council for review and approval. The City Council received the Preliminary 2025-2026 Biennial Budget on September 25, 2024. A copy was filed with the City Clerk (Exhibit 1).
- The 2025-2026 Biennial Budget is balanced, maintains current service levels, and aims to enhance City services and operations in the upcoming biennium.
- Ordinance No. 24-21 (Exhibit 2) includes the estimated beginning fund balances, expenditures, and revenues for each separate Fund for 2025 and 2026.

The 2025-2026 Biennial Budget includes over \$219 million in expenditures across all Funds. It also reflects the collective decisions made by the City Council over the four budget workshops this fall.

## BACKGROUND

The City Council received the Preliminary Budget on September 25, 2024, and a copy was filed with the City Clerk (Exhibit 1). Per Washington State law, the City Manager must deliver a balanced preliminary biennial budget to the City Council for review and approval.

At the October 1 City Council meeting, staff introduced overarching budget themes, reviewed the schedule for Council and the community to provide budget feedback, and presented the 2025-2030 Capital Improvement Program ([AB 6550](#)).

On October 15, the City Council held the first of two public hearings on the Preliminary Budget. Council received the Revenue Forecast, revised the 2025-2026 work plan, and took action on one-time uses of the remaining 2023 year-end unassigned fund balance in the General Fund, known as budget proposals ([AB 6555](#)).

Council reviewed and approved two additional budget proposals on November 4 ([AB 6565](#)), which included development of a fee-in-lieu program to support the creation of affordable housing and a digital accessibility audit to identify gaps in compliance with the new Department of Justice Rule on website and app accessibility for individuals with disabilities.

## ISSUE/DISCUSSION

The City Council finalized the remaining components of the biennial budget at the November 19 meeting ([AB 6571](#)). This included setting the property tax rate and amount for fiscal year 2025, the Northeast King County Regional Public Safety Communication Agency's (NORCOM) 2025 budget allocation approval, the City's ambulance transport fee updates, as well as updates to the City's Financial Management Policies to reflect policy and administrative decisions from the previous year.

The remaining step in the biennial budget review process is for the City Council to approve changes to the Preliminary 2025-2026 Biennial Budget (Exhibit 1) and adopt Ordinance No. 24-21 (Exhibit 2).

## NEXT STEPS

Staff will publish the final 2025-2026 Biennial Budget on the City's website no later than January 31, 2025 and will be available at [www.mercerisland.gov/budget](http://www.mercerisland.gov/budget).

## RECOMMENDED ACTION

Adopt Ordinance No. 24-21, which encompasses the biennial budget for the City of Mercer Island, Washington, for fiscal years 2025-2026.