



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

**AB 6121  
July 19, 2022  
Regular Business**

**AGENDA BILL INFORMATION**

<b>TITLE:</b>	AB 6121: Second Reading and Adoption of Parks Levy Renewal Ordinance (Ord. No. 22-13); and Statement of Intent to Not Impose Two Parks Levies (Resolution. No. 1628)	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Adopt Ordinance No. 22-13 renewing the parks levy; and adopt Resolution No. 1628 expressing intent to not impose two parks levies for 2023.	

<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>Ordinance No. 22-13 - Parks Levy Renewal Ballot Measure</li> <li>Explanatory Statement</li> <li>Resolution No. 1628 - Expressing Intent to Not Impose Two Parks Levies for 2023</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 conduct a second reading of and adopt Ordinance No. 22-13 (Exhibit 1) related to the renewal of the parks levy, to review and confirm the information in the Explanatory Statement (Exhibit 2), and to approve Resolution No. 1628 relating to ending the current parks levy early (Exhibit 3).

- The current parks levy was approved by the Mercer Island community in 2008 and expires at the end of 2023. The current 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.
- At the June 7, 2022 ([AB 6090](#)) and the June 21, 2022 ([AB 6105](#)) City Council meetings, the Council discussed placing the parks levy renewal on the ballot a year early and considered a number of parks levy renewal scenarios.

- At the June 21, 2022 City Council meeting, the Council directed the City Manager to bring for the Council’s consideration a draft ordinance for a November 8, 2022 special election for the renewal of the parks levy to include the base parks levy plus Alternative B as summarized below.

<b>Base Parks Levy + Alternative B</b>		
<b>Base Parks Levy</b>	<b>2022 (Current Levy)</b>	<b>2023 (Proposed Levy)</b>
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>Alternative B:</b>		
Option 1D: Fund 100% of Playground Replacement Costs	-	\$414,355
Option 2C: Fund all Forest Management Plan projects except for second phase of tree planting	-	\$225,054
<b>Total</b>	<b>\$980,122</b>	<b>\$1,629,332</b>

- Ordinance No. 22-13 (Exhibit 1) is presented for a second reading and final adoption, calling for a special election on November 8, 2022 to consider a proposition related to the renewal of the parks levy. The text of the ordinance has been revised since the July 5, 2022 City Council meeting.
- The Explanatory Statement (Exhibit 2) is also presented for final review by the City Council. This document has also been revised since the July 5, 2022 City Council meeting.
- Resolution No. 1628 (Exhibit 3) expresses the City Council’s intent to end the current parks levy early by not imposing two parks levies for 2023 upon passage of the levy renewal as described in Ordinance No. 22C-13.
- The City has also conducted a recruitment process for the parks levy pro and con committees and appointment to those committees will be addressed by separate action as indicated in AB 6124.

## **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 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 annual levy passed with 54% voter approval and began in 2009. The final amount

levied in 2009 was \$882,000, establishing the basis for the 15-year parks levy as summarized in the table on the next page.

<b>2009 Operations &amp; Maintenance Levy (Implemented)</b>	
Luther Burbank Park (O&M)	\$370,000
Parks Maintenance (O&M)	\$260,000
Luther Burbank Small Capital Projects (Capital)	\$110,000
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 levy amount for the current parks levy is \$980,122. A 1% statutorily allowed annual 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>		
	<b>2009 Allocation</b>	<b>2022 Allocation</b>
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.

**June 7, 2022 City Council Meeting**

At the June 7, 2022 City Council meeting, the Council considered a parks levy renewal recommendation for the November 8, 2022 election that included the following (see [AB 6090](#)):

- **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: Proposed additional funding for ongoing playground replacements, the alternatives varied from funding 25% of the playground replacement costs (about \$100,000 annually) over the life of the parks levy to fully funding the replacement costs (over \$400,000 annually).
- Option 2: Proposed increasing the annual funding for Pioneer Park to fund the restoration projects identified in the Pioneer Park Forest Management Plan. The proposed funding increase ranged from \$36,000 to over \$400,000 annually with the latter representing fully funding all of the projects identified in the Pioneer Park Forest Management Plan.

Councilmembers concurred with the recommendation to place the parks levy renewal on the November 8, 2022 General Election ballot and requested more information on various parks levy scenarios. It was also suggested that the levy length change from 15 years to 16 years. This would align the parks levy with the biennial budget cycle and put the next potential parks levy renewal off-cycle from a City Council election year.

**June 21, 2022 City Council Meeting**

At the June 21, 2022 City Council meeting, staff presented several alternative levy scenarios for City Council consideration ([see AB 6105](#)).

The City Council voted unanimously to direct the City Manager to draft an ordinance for a November 8, 2022 special election for the renewal of the parks levy to include the base parks levy plus Alternative B as summarized in the table below.

<b>Base Parks Levy + Alternative B</b>		
<b>Base Parks Levy</b>	<b>2022 (Current Levy)</b>	<b>2023 (Proposed Levy)</b>
Luther Burbank Park (O&M)	\$373,007	\$376,737
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<b>Alternative B:</b>		
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Option 2C: Fund all Forest Management Plan projects except for second phase of tree planting	-	\$225,054
<b>Total</b>	<b>\$980,122</b>	<b>\$1,629,332</b>

**July 5, 2022 City Council Meeting**

At the July 5, 2022 City Council meeting, staff presented Ordinance No. 22-13 for first reading and received City Council feedback on the proposed ballot title and the accompanying Explanatory Statement ([see AB 6111](#)). Feedback primarily centered on inserting language clarifying the City’s intent to end the existing parks levy one year early (for an expiration date of December 31, 2022), to avoid duplication in funding if the parks levy renewal authorized by Ordinance No. 22-23 is approved by voters to begin collections in 2023.

The City Council also suggested additional revisions to the ordinance to include adding the reference to Engstrom Open Space, clarifying the increase in the levy, and streamlining the language.

The City Council directed the City Manager to incorporate feedback received at the meeting and bring back Ordinance No. 22-13 for a second reading and adoption at the July 19, 2022 meeting.

#### Property Types Included in Total Assessed Valuation of City of Mercer Island

During the July 5, 2022 City Council meeting, a question was asked about the Assessed Valuation used to calculate the maximum property tax rate and whether or not it included properties exempt from paying property tax. Property tax exemptions include city and school buildings, churches, and synagogues, and many (but not all) non-profit and social service agencies.

The King County Assessor certifies three levels of the total assessed value of Mercer Island and provides that information to the City. The “regular levy for limited bonds” assessed valuation, which is the one used to calculate the levy rate included in the ballot measure, does not include properties exempt from the City property tax assessment.

## **ISSUE/DISCUSSION**

### **Development of Final Ballot Measure Ordinance/Ballot Title**

Upon receiving feedback from the City Council on the initial draft of Ordinance No. 22-13, staff and legal counsel developed the final version of Ordinance No. 22-13 (see Exhibit 1). The ordinance includes the parks levy renewal ballot title, which consists of three elements: ballot caption (name of jurisdiction and a statement of the subject matter); a concise description of the measure; and a question. The concise description must not exceed seventy-five words.

The maximum property tax rate (\$0.862/\$1,000 assessed valuation) along with the total amount to be collected through the renewal of the parks levy (\$1,629,332) are also included in Ordinance No. 22-13.

### **Explanatory Statement**

City staff, with support from legal counsel, prepared a revised Explanatory Statement to reflect feedback received from the City Council during the July 5, 2022 City Council meeting for inclusion in the local voters’ pamphlet (see Exhibit 2). The Explanatory Statement states the effect of a ballot measure if passed into law. The statement must not be an argument in favor of or in opposition to the measure, is limited to 250 words, and no more than five paragraphs.

### **Resolution No. 1628**

Resolution No. 1628 (Exhibit 3) was prepared for City Council review and approval to address concerns that there will be two parks levies in 2023. This resolution states the City’s intent to end the current parks levy lid lift one year early if voters approve the parks levy renewal at the November 8, 2022 election. The City Council can end the current parks levy one year early by setting the current parks levy rate to zero for 2023 during the budget process in November/December.

## **NEXT STEPS**

### **Submission of Ballot Measure Ordinance and Explanatory Statement to King County Elections**

Upon council approval of Ordinance No. 22-13, City staff will submit the ordinance and the Explanatory Statement to King County Elections by the August 2, 2022 deadline for inclusion on the November 8, 2022 General Election ballot.

### **Creation of Park Levy Fact Sheet**

City staff will commence work on development of a fact sheet related to the parks levy for publication later this summer. The Washington State Public Disclosure Commission, which has jurisdiction over local election and campaign matters, has routinely advised and held that with respect to election-related publications, one jurisdiction-wide objective and fair presentation of the facts per ballot measure may be distributed. This information will be distributed through normal City communication channels.

## **RECOMMENDED ACTION**

1. Adopt Ordinance No. 22-13, providing for the submission on the November 8, 2022 election, a ballot proposition authorizing the City to lift the levy limit established in RCW 84.55.010 to pay for costs of maintaining and operating City parks, open spaces, and recreation facilities, and to fund playground replacements, operations and maintenance of Luther Burbank Park, and forest restoration at Pioneer Park and Engstrom Open Space.
2. Adopt Resolution No. 1628, expressing the City's intent to not impose two parks levies for 2023.