



## CITY COUNCIL MINUTES SPECIAL VIDEO MEETING APRIL 21, 2020

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### CALL TO ORDER & ROLL CALL

Mayor Benson Wong called the meeting to order at 5:03 pm from a remote location.

Mayor Benson Wong, Deputy Mayor Wendy Weiker and Councilmembers Lisa Anderl, Jake Jacobson, Salim Nice, Craig Reynolds, and David Rosenbaum participated remotely using a video teleconferencing platform by Zoom.

The Mercer Island City Leadership Team participated from remote locations.

City Manager Jessi Bon, Chief of Administration Ali Spietz, and City Clerk Deb Estrada participated remotely from separate rooms at City Hall, 9611 SE 36<sup>th</sup> Street, Mercer Island, Washington.

### PLEDGE OF ALLEGIANCE

Councilmember Jacobson led the Council in the Pledge of Allegiance.

### AGENDA APPROVAL

It was moved by Nice; seconded by Reynolds to:

**Approve the agenda as presented.**

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker and Wong)

### CONSENT CALENDAR

#### **Payables Reports for the Periods Ending:**

A. April 3, 2020 in the amount of \$232,493.14,

B. April 10, 2020 in the amount of \$689,882.60,

**Recommendation:** Certify that the materials or services herein before specified have been received and that all warrant numbers listed are approved for payment.

#### **Certification of Payroll** dated April 10, 2020 in the amount of \$807,178.01, and

**Recommendation:** Certify that the materials or services specified have been received and that all fund warrants are approved for payment.

#### **Minutes of the following meetings:**

A. April 7, 2020 Special Video Meeting, and

B. April 14, 2020 Special Video Meeting.

**Recommendation:** Approve the minutes as written.

#### **AB 5682: Sexual Assault Awareness Month Proclamation**

**Recommended Action:** Mayor proclaims April 2020 as Sexual Assault Awareness Month in the City of Mercer Island.

#### **AB 5671: Claims Reporting for Electronic Funds Transfers (EFTs)**

**Recommended Action:** Receive report. No action necessary.

It was moved by Reynolds; seconded by Anderl to:

**Approve the Consent Calendar as presented.**

A roll call vote was conducted, and the results were as follows:

Passed 7-0

FOR: 7 (Anderl, Jacobson, Reynolds, Rosenbaum, Nice, Weiker, and Wong)

## **PRESENTATION – STATE AUDITOR’S OFFICE EXIT CONFERENCE**

### **AB 5680: 2018 Annual Financial and Accountability Audit Exit Conference**

Representatives of the State Auditor’s Office reviewed the following items with City Council:

- Audit Reports & Highlights:
  - Accountability audit for January 1, 2018 through December 31, 2018 (draft)
  - Financial statement audit for January 1, 2018 through December 31, 2018 (draft)
- Recommendations not included in the Audit Reports that address control deficiencies or non-compliance with laws or regulation.
- Communications required by audit standards:
  - Uncorrected misstatements in the audited financial statements
  - There were no material misstatements in the financial statements
- Finalizing the City’s Audit:
  - Audit reports are published on the SAO’s website and distributed via email.
  - Management Representation Letter
  - Audit Cost - \$74,514
  - Next Scheduled Audit will be in 2020 and will cover Accountability for Public Resources and Financial Statement

The Auditors also reviewed a summary of uncorrected items for understated or overstate expenditures.

Audit Exit Recommendations included:

- Contingency Fund - monitor the Contingency Fund Ending Balance to ensure reserves to do exceed allowable limits specified in RCW 35A.33.145.
- Fire Department Overtime - review and update written policies for controls over overtime that are currently being followed, in order to minimize the risk of mis-use or misappropriation.
- Controls over Electronic Funds Transfers
  - EFT confirmations be received by an employee in addition to the primary contact to ensure dual oversight.
  - The City establish written policies over EFT's.
  - Deposit Authorization forms emailed to Human resources not be e-mailed to payroll since it sometimes contains voided checks.
  - Bank information retained in binders be secured to limit access.
- Financial Statements - the preparer and reviewer of journal entries sign journal entry coversheets to ensure accountability of duties and roles assigned to individuals.
- Payroll Accrual - the City establish policies and procedures to accrue payroll to the proper reporting period.
- Quarterly Financial Reports - continue to provide quarterly financial reports to City Council in a timely manner as required by RCW 35A.33.140.

## **FINANCE FOLLOW-UP PRESENTATION**

### **AB 5683: 2018 Annual Financial and Accountability Audit Exit Conference**

Interim Finance Director Matt Mornick presented on the following items:

2018 Audit – Changes Implemented:

- Time sheets are being properly authorized,
- Leave cash-out requests are being properly authorized,
- Leave accrual balances internally audited to verify accuracy,

- Reconciling leave accruals against timesheets regularly, and
- Effective June 1, 2020 manual payroll checks will be limited to emergencies only.

#### 2018 Audit – Changes in Progress:

- Human Resource Policy Improvements
- Implementation of NEOGOV for Human Resources & Payroll
- Detailed internal audit of payroll, back to January 2015
- The correction of past errors resulted in un-anticipated one-time costs for 2019 (\$19,609) and 2020 (\$28,344)

#### 2019 General Fund, as of December 31, 2019:

- Expenditures by Category
- Salary and Wages by Department
- Ending Fund Balance
- LEOFF 1 Long Term Care Reserve
- Annual LEOFF 1 Retiree Costs
- Compensated Absence Reserve

#### COVID-19 Emergency Response – Initial Expenditure Reductions:

- General Fund:
  - Parks & Recreation contract and seasonal staff layoffs
  - Weekly savings estimated at \$5,352, or \$198,016 for 2020
- Youth & Family Services Fund:
  - Thrift Shop contract, casual and work-study staff layoffs
  - One regular, part time staff, layoff
  - Weekly savings estimated at \$13,455

Mornick concluded his presentation explaining that the May 5 Council meeting would include a staff report with an updated financial forecast that would address:

- General Fund revenue assessment and COVID 19 impacts
- Additional information on cost-saving measures implemented to date
- Recommendations/discussion on additional cost-savings measures that may be required

Council asked several questions of staff and expressed a desire to review reserve funds, to which City Manager Bon responded explaining that the discussion would be scheduled as part of the 2021-2022 budget development process.

## CITY MANAGER REPORT

City Manager Bon reported on the following:

- Governor Inslee's April 21 address laying out a plan for Washington state's COVID-19 recovery
- 2Bar Distillery thank you for donating 100 4oz bottles of hand sanitizer
- City Board and Commission openings – Application dues May 19
- 2020 Work Plan Items
- Farmers Building was purchased for \$46.45 Million
- MI Boat Launch and Enatai Park Work
- Emergency Response by the Numbers:
  - 3,798 hours worked since full activation
  - EOC staffing & roles
  - Call Center and Outreach
- Activating Emergency Management Volunteers
- Parks Access
- Senior Hours and ADA
- Landscape Maintenance
- WeLoveMI Campaign
- Small Business Support Updates
- City Closure & Cancellation Updates

- City Department Updates

## **OTHER BUSINESS**

### **Planning Schedule**

City Manager Bon summarized the items scheduled for the May 5 City Council meeting.

### **Councilmember Absences**

There were no absences reported.

### **Councilmember Reports**

Councilmember Rosenbaum suggested that Council participate in Take-out Tuesday as part of the May 5 Regular Council Meeting.

Councilmember Jacobson reported that the Disability Board met on April 20 and approved expenses and caught up on past items.

Mayor Wong reported that he and several members of the King County Regional Water Quality Committee signed a letter addressed to King County Executive Dow Constantine asking him to reconsider a proposed 9.5% rate increase relative to storm water waste treatment in 2021.

Last week the Mercer Island Emergency Management volunteers started providing assistance to members of the Island in need and the WeLoveMI campaign was launched to provide Islanders an easy way to provide financial assistance to Island small businesses, Island social services and Island youth and their education

## **ADJOURNMENT**

There being no additional business to come before City Council, the Special Video Meeting adjourned at 9:02 PM

Attest:

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Benson Wong, Mayor

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Deborah A. Estrada, City Clerk