

Question & Answer Matrix
June 17, 2025 - City Council Meeting

Log #	AB No.	Received From	Question	Staff Response
1	6710	Reynolds	I note that Lakeridge was NOT low bidder for Schedule C. Per bid terms, could we have given Schedule C to a different firm than the other schedules? If so, why didn't we? If not, why did we split into three schedules?	<p>The street overlays contract is to be awarded to the bidder submitting the lowest responsible bid for Schedules A, B, and C combined, per our bid specifications. The City does not have the flexibility to modify the bid specs after the fact.</p> <p>While Lakeridge's bid price was higher on Schedule C (which is the smallest of the three Schedules), they submitted the lowest <u>combined bid</u> for all three schedules, which is the number that determines the lowest bidder.</p> <p>Staff typically break projects into separate work schedules for constructability or budget reasons. We also know that there are potential savings realized when a single contractor mobilizes to the island to perform multiple projects.</p> <p>In the case of Schedules A and B of this bid award, while both schedules are for paving work from the same Residential Street capital project, they will likely be constructed at different times this summer, as one location needs to have water main work completed first. In the case of Schedule C, it is funded from a separate Arterial Preservation capital project within the TIP and will be tracked separately for financial reasons.</p>
2	6711	Becker	90.20.0015- PCI ratings are currently Satisfactory to Fair, but are anticipated to drop to Poor after completion of the North Mercer sewer project. I'm curious why you expect it to drop two levels (from Satisfactory to Poor), and if it is damage caused by King County construction should they be fixing it?	<p>The current PCI was taken three years ago and will be updated in Q4 2025. Ratings are anticipated to drop based on general wear and tear along with incremental impacts from heavy construction vehicle traffic from a variety of daily uses including home deliveries, garbage/recycling, the King County sewer project, and private development projects on the island. Staff will reassess the timing of all paving projects in the TIP next year based on the updated PCI data. King County's sewer construction along this stretch of North Mercer Way is mostly along the I-90 trail and not in the roadway. The trail will be fully repaved by the contractor this summer prior to project completion, which is anticipated at the end of this year.</p>

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3	6711	Becker	2029 and 2030 each show sizable gaps between revenue and expenditures resulting in a significant negative ending fund balance starting in 2030, what is the plan for that?	<p>It is not uncommon for the later years in the TIP to show expenditures exceeding available resources. Including the projects, even if under-funded, is an important step in the long-range planning process for transportation needs. Having projects in the plan is often a required element for securing additional grant funding, as noted in question three above specific to bicycle and pedestrian facility needs.</p> <p>Real Estate Excise Tax (REET) revenues, the primary funding source in the Street Fund, realize volatility based on the local real estate market both in the number of sales and average sale price. Based on recent real estate activity on the island, the revenue forecast projects REET will remain low in 2025 and begin to improve in 2026. Given both the annual TIP process and the biennial budget process, the Council will have multiple opportunities to right-size 2029-2030 TIP projects based on available funding sources.</p>
4	6711	Rosenbaum	Why isn't there a crosswalk at the intersection of SE 24th St and 74th Ave SE and is this project included in the upcoming TIP or included in a future TIP?	<p>There is currently not a marked crosswalk at 74th Ave SE because it does not meet the guidelines/criteria for a crosswalk (no sidewalk trail on both ends of the crossing and exceeds the 5% ADA grade slope requirement). These may change as part of the design and scoping work for the project. ADA ramps and crosswalks will be evaluated and considered during the design process.</p>
5	6711	Weinberg	I'm noticing that the planned expenditures for 2030 are projected to exceed planned revenues by over \$4 million. Have we chosen to keep the \$4 million of Bicycle and Pedestrian Facilities work in calendar year 2030 in anticipation of our requesting and receiving additional state funds for these projects?	<p>Yes, we have chosen to keep the \$4 million for Bicycle and Pedestrian Facilities work in 2030 in anticipation that we will be competing for grant funding to support these projects in the future.</p> <p>It is common that the capital funds go negative in the out years. These future projects need to be formally approved by the City Council and included in the capital plan so that we can pursue grants. The timeline for grant applications is anywhere from a year to four years in advance of a project start, the longer lead times are often associated with Federal Funding.</p>

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6	6711	Reynolds	Re: “Automatic Pedestrian REcall”.....you say that pedestrian volumes ...are not high enough”. How is volume measured and what is the defining criteria for what WOULD be high enough?	<p>Volume is measured by pedestrian presence (one or more pedestrians) at a crosswalk during each signal phase. The phase length for Mercer Island signals on SE 27th Street varies between 35 to 40 seconds. For the automatic pedestrian recall guidelines to be met there needs to be a pedestrian at the crosswalk every 35 to 40 seconds. This is not currently the case.</p> <p>Incorporating the automatic pedestrian recall will create a delay during each traffic signal cycle. It will hold traffic even when there are no pedestrians present at the crosswalk. This does not make sense given the current volume of pedestrians in the Town Center and will serve to increase vehicle travel time and delay.</p> <p>This issue is being raised because the opening of the Light Rail Station may increase pedestrian traffic in the Town Center. Staff will continue to monitor changes in traffic and pedestrian patterns and make adjustments at intersections to address changing needs. The data and intersection performance will be reviewed every six months, or more frequently if needed.</p>
7	6712	Reynolds	What are we calling the 9655 building? I take it that it will NOT be city hall?	<p>For the time being in public communications we are referring to the building we are acquiring as the “9655 Building”. At a future date, staff may consult City Council on a different official name. As the 9655 building is not replacing all of the functions of the City Hall building, staff do not recommend calling the 9655 building “City Hall”.</p> <p>Also, a reminder that the customer service counter and the store front for the City will be constructed as part of the PSM Facility. Staff will address naming and wayfinding in subsequent phases of design.</p>

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8	6712	Reynolds	I note that qualifying projects includes “projects involving the construction, renovation or repair of public streets, sidewalks, and parking facilities.” Have we consistently done this? For example, do the costs shown earlier in the agenda for the TIP include the estimated 1% for the arts?	<p>Yes, this funding is collected for all eligible projects including those you referenced in your question. Typically, when a contract award comes to the City Council, the AB will include a reference to the 1% for the Arts in the budget detail.</p> <p>Finance is responsible for ensuring the funds are transferred from the project budget to the 1% for the Arts Fund at the time of project completion and closeout.</p>
9	6712	Becker	What do other Washington cities (especially similarly sized) do for % for the Arts? Do most have a % for the Arts at all, is it usually exactly 1%, and are there examples of cities going higher or lower or having caps/exemptions on certain project types?	<p>Several Washington cities have this program in place. There was a movement around the late 90s to provide dedicated funding for the arts and many cities adopted the 1% funding model. There are, however, many cities that don’t use this tool such as Kent, Federal Way, Yakima, Pasco, Kennewick, and Spokane Valley and others that fund art in other ways.</p> <p>For cities with a formal program, a 1% contribution rate is common, although contribution rates can range from 0.5% to 1%. You can find some examples of other city codes on the MRSC page linked here.</p> <p>Exemptions vary from city to city and include utility/infrastructure work, underground-only work, emergency repairs, real estate acquisition, demolition work, and ADA compliance.</p> <p>Staff could not identify a city in Washington State that includes a per project “cap” on contributions, but staff did not perform exhaustive research to address this question.</p> <p><u>City Manager comment:</u> The 1% for the Arts code requirement has not been revisited for quite some time. Given the budget challenges across all City funds, staff recommend reviewing this code requirement for potential revision in the future.</p>

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10	6712	Becker	Does the 1% contribution have to be used on the PSM Facility or can it be used on other non-PSM projects? The agenda bill says it can be “transferred to the 1% Fund for future use” but MICC 4.40.200(E) seems to say it must be spent on the current project.	<p>This answer is nuanced and could have been better explained in the agenda bill.</p> <p>Per MICC 4.40.200(E) and under State law, proceeds from a voter approved bond must be used for the project described in the bond ordinance. What this means is that if the 1% for the Arts contribution is intended to be used for projects in addition to the PSM Facility, that must be specified in the bond measure ordinance.</p> <p>If, however, the 1% for the Arts is collected and intended to be used solely for the PSM Facility, then no additional reference is required in the bond ordinance, although the project scope should reference “arts” or “cultural arts” to ensure this work is in scope.</p> <p>Given that the other capital projects that contribute to the 1% for the Arts Fund are <u>not</u> tied to general obligation bond proceeds, the funds can be applied Citywide.</p>
11	6712	Reynolds	Do you anticipate a drivable connection between the PSM Building and the 9655 Building?	A connection between the two buildings is not included in the PSM Facility design. This is partially due to space and layout constraints for the new PSM Facility. Staff also did not feel that there was a strong need for vehicles to move between the two buildings, and this would have added unnecessary costs to the PSM Facility. The other reason is that the City desires to keep the 9655 Building physically separate as much as possible should a future City Council desire to sell the building.

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12	6712	Reynolds	Will the bond require 60% to pass?	<p>Yes. Bond measures have two thresholds that must be met for the bond to pass. First, the bond must receive a minimum 60% majority. Second, the voter turnout for that jurisdiction must equal 40% of the voters who cast ballots in the previous general election. If turnout is below the 40% threshold, the bond measure will fail no matter how many “yes” votes it receives.</p> <p>Should the City include the bond measure on the November 2025 General Election ballot, a minimum of 6,338 votes would need to be cast and the bond measure would need to receive a minimum of 3,803 votes for the bond measure to pass. Based on historical data, staff believe the voter participation requirement will be met.</p>
13	6712	Reynolds	I believe the city has issued other bonds, eg, for water or sewer, without needing to go to the voters. What requires us to do so for this measure? Is it just because we do not have sufficient funds to service the debt without more revenue?	<p>There are several types of municipal debt available to the City. MRSC has a useful guide on the subject.</p> <p>The PSM Facility project uses what is called an unlimited tax general obligation (UTGO) bond (also called voted debt). This type of bond requires voter approval because it includes the approval of an excess levy which <u>raises the property taxes</u> to cover the debt service payments.</p> <p>Recent bond issuances for City water projects used what is called a limited tax general obligation (LTGO) bond (also called "councilmanic" bonds or non-voted debt). It is important to note that LTGO debt does not provide any additional revenue to fund debt service payments and must be paid from <u>existing revenue sources</u>. In the case of the recent water utility bond, water utility revenue is being used to cover the debt service payments.</p> <p>The City’s bond counsel will be attending the Council meeting on July 1 and will be available to answer additional questions about UTGO bonds.</p>

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14	6713	Becker	In addition to assigning Design Review Authority to the Hearing Examiner, this also assigns non quasi-judicial functions to the code official. What non quasi-judicial functions does the Design Commission perform?	<p>The functions of the Design Commission are established in MICC 19.15.220 - Design review and the design commission. The non-quasi-judicial functions assigned to the Design Commission in MICC 19.15.220(B) are:</p> <ul style="list-style-type: none"> • Authority to require a bond for the installation of permitted improvements such as landscaping (MICC 19.15.220(B)(2)); • Make recommendations to the Council regarding design consultants for capital improvements (MICC 19.15.220(B)(3)); and • Make recommendations for the design of capital improvements (MICC 19.15.220(B)(4)). <p>Other, non-quasi judicial functions would be instances where the code requires design review but does not require a pre-decision public hearing. This would include review such as that required for tree removal permits associated with a development proposal found in MICC 19.10.060(B)(2).</p>