

GMHB EXHIBIT 109

2024-10-01 City Council Transcript

0:07

everyone's remote

0:28

so for

1:02

good evening and welcome to the October 1 2024 city council regular hybrid meeting I'm mayor Sim nce this evening's

1:08

hybrid city council meeting is being brought to you in person and by zoom we're also broadcasting live on mitv

1:13

channel 21 and on the city's YouTube channel welcome and thanks for joining us tonight council members please have

1:19

your microphones turn off a roll call city clerk Andrea Larson please call the rooll thank you Mr mayor council member

1:26

andr here council member Jacobson

1:34

council member Jacobson is present council member Reynolds here council

1:41

member wer here council member Weinberg here Deputy Mayor rosenbom here and

1:47

mayor nce here Mr Mayor I'll note for the record that council members andr Jacobson Reynolds and wer have all

1:54

joined us via Zoom very good thank you next we have the Pledge of Allegiance if you've joined us in council chambers please stand in face the flag if you

2:00

join via Zoom please mute and turn off your video to ensure the US flag is

2:06

visible I pledge allegiance to the flag of the United States of America and to

2:11

the Republic for which it stands one nation under God indivisible with liberty and justice for

2:23

all we now move to approval of tonight's agenda if there's no questions may have a motion to approve the agenda so moved

2:30

second okay moved by Deputy Mayor rosenbom secreted by Council weberg City cler please call the RO thank you Mr

2:35

mayor council member Jacobson hi mayor nce hi council member

2:41

Weinberg I council member andraw hi council member Reynolds hi Deputy Mayor

2:48

Rosen bomb hi and council member wer hi thank you Mr Mayor thank you next up on

2:54

the agenda is the city manager report and we welcome Chief of Staff Ali speeds

3:21

okay oh hold on one second technical difficulties my

3:27

goodness okay we have the city manager report for Tuesday October 1st

3:35

2024 a couple of updates for city council and boards and commission meetings our next city council meeting

3:40

will be on Tuesday October for 15th and we also have two meetings coming up for

3:45

our boards and commissions the Parks and Recreation Commission and the Utility Board both meeting on Tuesday October

3:52

8th at 5:00 pm you get to choose utilities or Parks and Recreation

4:00

few City updates for you the city's launched a digital survey to collect information on how the

4:07

community currently uses Clark and Groveland beaches we're looking for people to provide input we're accepting

4:14

responses until October 22 this input will be combined with other background analysis to inform the

4:21

scope of the planning process for future improvements at both of these Parks staff anticipate bringing a recommended

4:27

planning scope to the city council in early 2025 you can go to Mercer.island.gov

4:35

cgmp to provide input the long anticipated third police

4:44

modular building was delivered over the weekend um and we are completing installation work throughout the rest of

4:50

this week once the structure assembly and the building envelope is complete contractors will begin the electrical

4:56

data Water and Sewer connections followed by the installation of access control and securities infrastructure

5:03

and finally Furniture we're hoping to have it ready for staff to begin moving in by the last week of

5:10

October work is continuing on the Luther Burbank boiler building project uh the

5:16

mezzanine and stairway railings have been installed some parts need to be modified so the completion may be

5:22

delayed a few weeks the rollup door for the concession stand and the water heaters for the restrooms have both been

5:27

installed and the Chimney Cap fabrication is complete and should be delivered and installed soon substantial

5:33

completion of this project is expected in about 2

5:40

weeks pickleball courts at Luther Burbank Park uh yesterday Northwest asphalt placed

5:47

the second lift of asphalt pavement and today the team conducted a flood test to check out the court PL Court planetary

5:55

planet planet I don't know that's a new word for me and drainage uh drainage performed his plan

6:02

and team found a few ridges along the paving seams which is typical for Sport Court Paving next up field Turf will

6:08

complete other items including installing new drains building the new access path and grading the South

6:14

Hillside we anticipate the courts will be playable for pickle ball later this month with temporary striping and then

6:21

the final surface and markings uh will be installed next spring updates are available at

6:27

m.gov lbpc next

6:32

slide 80th Avenue Southeast pedestrian improvements our contractors working

6:38

between Southeast 30th and Southeast 32nd streets along the east side of 80th Avenue new concrete curbs have been

6:44

poured near Southeast 32nd Street a new electrical conduit has been installed for Street lighting this week Crews will

6:51

continue with sidewalk grading and then pouring the new concrete should start in about two weeks work along this uh along

6:58

8th is expected to continue through the end of this year the King County Metro sewer project

7:07

um has is still going on but they're getting closer the County's uh asphalt subcontractor Lakeside Industries

7:13

recently completed the paving of the I90 trail from Luther Burbank south parking lot to shwood drive shoulder restoration

7:20

and Landscaping work along the trail is wrapping up and this section of the path should fully reopen to pedestrian

7:26

bicycle traffic later this month comprehensive plan the 2024 city council

7:34

draft comprehensive plan is now available for public review and let's talk this is important document will

7:40

help shape the future of Mercer Island for the next 20 years and we invite you to share your feedback you can send

7:46

comments on the draft comprehensive plan elements to comp. plan [Mercer island.gov](http://Mercer.island.gov)

7:51

by Thursday October 31st 2024 your input will be compiled and included in the

7:57

city council packet for the November 4th meeting we look forward to hearing your thoughts and working to plan the future

8:03

for our community more information is available on let's

8:09

talk join our Planning Commission we are still looking for applicants for of the

8:15

Planning Commission um with the term beginning in January 1 2025 we're

8:21

looking for two resident lay persons one resident paid practitioner and two non-resident paid practitioners we're

8:28

accepting applications on online through October 25th if you would like to learn more you can go to Mercer.island.gov

8:39

slbc a few upcoming events this Saturday October 5th at

8:44

10:30 a.m. is the annual Mercer Island High School homecoming parade and they

8:50

will be take it will be taking place in the town center with street closures from 32nd Street 30 Southeast 32nd

8:57

Street down 77th to the gr hacket outdoor sculpture gallery from approximately 10:15 to 11:30

9:07

a.m. women's day out will be held at the community center on Sunday October 20th

9:13

from 10: a.m. to 2 PM the meran Chamber of Commerce and on the east side have

9:18

partnered to host women's day out this EV event brings local businesses together for a day to nourish your mind

9:25

body and soul enjoy mindful movement sessions learn stress management techniques visit our selfcare vendors and more for

9:32

more information visit the Mercer Island

9:38

chamber and some good news we found out this week that we

9:44

would uh have been awarded a grant from King County best starts for kids this is

9:49

the positive family connections Grant award for approximately \$288,000 we were one of only 11 agencies

9:57

to receive this award out of over a 100 applicants this grant will allow Youth

10:02

and Family Services to increase support for Island parents and families and continue the implementation of the

10:08

parenting Mercer island.org web-based parenting tool developed over the last two years the program will BR parent

10:15

support groups parent focused Town Hall events and Elevate the connection between strong parenting and healthy

10:21

youth we are incredibly proud of the work we are doing to provide much needed Mental Health Services and counseling to

10:28

our kids and they were really excited about this

10:34

Grant Family movie fun night night fun family movie night

10:39

fun fun night night fun um 124 people registered for last Friday's family

10:45

movie night and they all watched Kung Fu Panda 4 people brought blankets and chairs enjoyed popcorn and treats played

10:52

in the game room and hung out in the lobby uh a very big thank you to the Mercer Island martial arts for

10:57

sponsoring this event the next family movie night is scheduled for Friday December 13th staff is currently arguing

11:04

about the best familyfriendly holiday movie to show you can send your input to Mi Parks Mercer island.gov to try and

11:12

sway the selection and I think that's it thank

11:17

you thank you our next item of businesses appearances this is an

11:22

opportunity for anyone to speak to the city council on any item except those requiring a public hearing any quasi judicial matters or campaign related

11:29

matters tonight's agenda will include inperson public appearances and remote public appearances via Zoom individuals

11:35

wishing to address the council may do so in person or by Zoom or telephone provided they register with the city clerk by 4M today when it's your turn to

11:42

Speak you'll be called by name remarks must be addressed to the council as a whole not to individual counselor or staff members any person making personal

11:49

impertinent or slanderous remarks or who becomes boisterous threatening or personally abusive while addressing the city council may be requested to leave

11:56

the meeting if your appearance pertains to the last item of regular business regarding ballot measures please limit

12:02

your comments to the issue in question which is whether or not the city council should take a position on ballot

12:07

measures at its October 15th council meeting expanding your comments

12:12

to encourage voters to support or oppose the ballot measures themselves will not be permitted during appearances because

12:18

it violates state laws laws against the use of public facilities for campaigning

12:23

please speak audibly state your name and city of residents for the record there'll be a timer on the screen you'll have three minutes to speak when your

12:29

time is ended I'll thank you for your comments and move to the next item uh next speaker or next item of business C

12:35

cler please call the first Speaker our first Speaker tonight is Addie

12:50

Smith welcome last week I was cut off before I

12:58

could finish um the um statements that I was making so I

13:04

want to kind of wrap that up and present again in the next hearing so if you were

13:10

listening last week just add this to what I said uh and I also posted it on

13:16

to social media so however if you really care about the citizens of Mercer Island

13:21

and the citizens of the state of Washington having to pay a settlement

13:27

which they will to means for damages for the years five years now of time that I have lost in this hate crime attack you

13:34

will want to take the time to listen to the hearings in the case case number 9z

13:40

093 006 start with hearing date August 9 or

13:45

you can start in 2019 if you if you wish but on August 9th 2019 judge Gregory

13:52

states it is so important for you to have an attorney listen to all the

13:58

hearings as I've instructed to the public on social media Jeff Gregory is

14:03

dishonest he's not a truth teller don't believe the faces of some of these council members who want to appear to

14:10

console it's a facade all of these council members in 2019 received my

14:15

emails Benson Wong was the mayor all these people were council members with the exception of the one next to the

14:22

current mayor on the on my right with the dark hair not the blonde with the blue shirt judge Gregory stood before

14:30

several of you weeks ago to present the status of the Municipal Court stating that anyone is welcome in his courtroom

14:36

there is no way for anyone to know the lies he was told he has told by sitting in one hearing you'd have to come to

14:42

them all you'd also have to be present at the previous hearings for that particular person you won't know that

14:48

he's violating the rights my rights to an attorney by sitting in one hearing on

14:53

any one particular day judge Gregory has allowed me to appear for hearings VI a

14:59

telephone when he agreed to the motion to withdraw for Meredith Hutcherson he

15:05

ordered me to appear in person and refused to app to provide an attorney I

15:10

couldn't afford an attorney uh in April and the day before the municipal court

15:15

and the Building closed to asbest and I can't afford to come to Kirkland judge

15:20

Gregory will ensure that this city and state will be responsible for the damages over the past five years it has

15:27

caused for me not having a job or being able to start a business judge Gregory

15:33

and Blake Lee warington are violating the law and these City Council Members um they are they report to these City

15:40

Council Members these City Council Members may act like they can't do anything about the judges and the

15:47

prosecutor but they can they sign the checks they write the contracts with the city attorney they can do something

15:54

about it and they won't vote them out thank you

16:02

our next speaker tonight is Callie

16:15

roli good evening I'm Cali Rolie I've been a resident here on Mercer Island for 30 years and I'm also a member of

16:21

the League of Women Voters first of all I want to thank you all for the leadership your leadership

16:27

on Energy Efficiency iciency adopting clean energy and conserving our green

16:33

spaces especially appreciate that you adopted greenhouse gas emission reduction goals and you also develop

16:41

plans for climate action to benefit the citizens of merer Island these efforts are going to

16:47

require investments in the future resources that will be devastated if initiative 2117 passes I urge the city

16:56

council to adopt a resolution and to discuss and apparently consider that

17:01

matter I'm not sure if I can tell you to oppose it or not based on the uh comments of the mayor but it's on the

17:09

November ballot so I encourage you to consider the issue

17:14

expeditiously sounds like your next meeting is on the 15th and that would be in time to at least adopt a position

17:22

that may affect um the outcome the League of Women Voters opposes um

17:29

initiative 2117 if it's passed the initiative would prevent the state from achieving our

17:36

greenhouse gas reduction targets that were set in 2020 and which are necessary

17:41

to DET defer and deter further climate action impacts the state would lose a

17:49

significant funding source for implementing programs such as the funds available through the climate commitment

17:56

act and those support clean trans Transportation clean buildings clean energy development sighting and

18:03

transmission and more and for those of you that aren't aware the League of Women Voters is a nonpartisan

18:10

organization that studies issues very carefully and with a priority on informed

18:15

voters thank you for your time and for considering initiative

18:21

2117 thank you our next speaker is Sue Stewart

18:33

yes I'm Sue Stewart I've been a resident of Mercer Island for 50 some years um

18:40

I'm coming to you today as a 17-year peep patch renter in Luther Bank Park

18:46

many gardeners have returned for a decade but one of my neighbors has been

18:51

has hit 40 years now we had hoped we could grandfather in our larger plots

18:58

but it is against last year's brand new Parks Commission rule of one patch per

19:03

household starting in 2025 in hopes of staying we have initiated a petition and

19:12

shared our names and emails to the park staff who will not grandfather in and in

19:18

November they will start the process of whittling down longers areas so tonight

19:24

after I leave I will be forwarding our petition to grandfather in larger areas

19:30

to the Mercer Island Parks Commission Commissioners in hopes that they might amend their rules and let us stay right

19:38

now there are just 10 of us named we're not spring chickens there is already an

19:44

attrition rate but we feel we know how much work our patches take our Gardens

19:50

are productive and working them Keeps Us healthy today at the patch a colleague

19:57

insisted that I share that we longtime gardeners are ambassadors to the

20:03

newcomers that was sweet and it is our happy place some numbers in

20:10

2023 there were seven plots near M that were never utilized so the waiting list

20:17

uh gardeners did not accept them uh this last summer no patches were rented due

20:24

to the water issue but I just counted a dozen plots that now it vacant in my

20:30

last meeting with Dave seedland he was leaning towards creating half-sized plots if so that could allow more than

20:38

20 new gardeners if the waiting list people accept those areas unlike our

20:44

areas the abandoned plots are very weedy and not very

20:49

attractive you as council members are the ultimate land use

20:55

deciders um that is why I am here to soften you up up to the idea if I

21:00

can uh we respect the parks Commissioners and our Park staff so we

21:07

are not demanding but we are humbling asking that new rules be utilized

21:14

prospectively not retroactively with evictions to Old-Timers but instead if

21:21

we could be please be grandfathered in thank you so much thank

21:27

you our last speaker tonight is Carolyn

21:52

Bozman I know

21:58

greetings council members welcome everything in order there

22:04

Andrea go ahead yes okay all right my name is Carolyn Bozman I'm a 38-year

22:11

resident of Mercer Island um tonight I'm speaking in favor of adopting a resolution against Statewide initiatives

22:19

2066 and 2117 the two initiatives passed will deal a blow to

22:26

the city's ability and the ability of every participant in k4c to meet Greenhouse goal reduce greenhouse gas

22:33

reduction goals order point of order Mr Mayor this uh speaker is bypassing the

22:38

injunctions you had on the C on going beyond the subject of whether to put on the agenda or not as did Mr do okay uh

22:47

Miss bman I I would ask you did you hear the rules as I open public hearing tonight

22:53

or public comment tonight perhaps I need clarification please okay I'll ask this

22:58

City attorney to clarify that for

23:05

you Mr Mayor um to repeat the rules the the rules are

23:13

um under the state law against use of public facilities for campaigning and uh

23:21

to support or oppose a ballot measure um the appearances tonight should be

23:27

limited to the issue in question um at the

23:33

reg with the the last item of regular business which is whether or not uh the

23:40

council should take a unified position or a position as a body on the

23:46

resolutions um the the two ballot measures that are

23:53

before you tonight any question questions Miss po

24:00

Postman um I guess I am not quite clear so I cannot speak in favor of them

24:07

taking such an action to adopt such a resolution opposed so we rule as I read

24:12

it was if your appearance pertains to the last item of regular business regarding ballot measures please limit

24:18

your comments to the issue in question which is whether or not the city council should take a position on the ballot

24:23

measures at its October 15th city council meeting expanding your comment to encourage voters to support or oppose

24:31

the ballot measures themselves will not be permitted during appearances because it violates the state laws against the

24:36

use of public facilities or campaigning okay so I'm not advocating

24:42

anything I'm trying to tell voters to do I'm trying to encourage my city council to adopt a resolution okay so miss bman

24:48

I'm GNA I'm going to reset your time and I'll let you try again okay we're going to take it back to three three minutes I

24:54

have to say I don't I don't understand this um okay so uh I don't know what aspect of my

25:01

testimony is is out of order if somebody could help me with that I would really appreciate it your

25:07

opening sentence contained it so just skip your opening sentence okay Mr Mayor and if I may add

25:14

right okay one moment M B's my time right now one one moment Miss bman City

25:20

attorney you the the speaker cannot advocate for voters to vote in favor or

25:26

against the ballot measure that's the key there should not be any advocacy on

25:32

how to vote on the ballot measures during appearances all right I have not

25:37

violated that I have not advocated that voters do anything I am advocating that the city council adopt a resolution so

25:45

if I'm not if that's all right I'd like to continue your your time is

25:52

running okay I've sent the city council a graphic from the final report by Cascadia Consulting Group

25:59

estimating the amount of our goals reached by the implementation of state laws and programs the Washington energy

26:05

code that would be repealed by initiative 2066 does not prohibit natural gas it requires a high degree of

26:12

Energy Efficiency in new construction that may cause new development to choose electricity Instead The Wedge diagram

26:18

which I've sent the council shows the reduction in greenhouse gas reduction from the State Building regulations that

26:25

would no longer accrue based upon repeal it also shows that nearly half of the greenhouse gas reduction to be

26:31

accomplished by the city and residents of

26:47

Merc okay city clerk have we lost Miss Bozman she appears

26:54

Frozen she's still in the meeting um but she is Frozen

27:05

Frozen council member andal I see you have your hand raised I'm gonna recognize this time if you would like to

27:11

make some comments um it was the same comment that uh council member Jacobson made which is

27:18

that this speaker and the second speaker seem to have be putting the city in some

27:24

Jeopardy of the violation of state law Miss Bozman back Mr Mayor okay thank you

27:30

for that miss bman you have two minutes and 8 seconds

27:35

remaining you're on

27:45

mute okay okay thank you um The Wedge diagram

27:53

which I've sent the council shows the reduction in greenhouse gas redu greenhouse gas reduction from the State

27:58

Building regulations which would no longer acre based on repeal it also shows that nearly half of the greenhouse

28:05

reduction to be accomplished by city by the city and its residents pertains to

28:10

electrification of buildings to decarbonization of buildings the graph

28:16

also shows the greenhouse gas reduction expected from the climate commitment act Mercer Island receives significant

28:22

funding from the proceeds of the CCA via its participation in Energy Smart East

28:28

side program along with other Eastside cities which have received two grants in addition to psse psse funding that also

28:36

comes from the climate commitment act towards helping Mercer Island residents install heat pumps in their home driving

28:42

down greenhouse gas Emissions on merer island this is how the CCA is supposed to work limit greenhouse gas um

28:49

emissions require payment for emissions pass on the funding to efforts to reduce greenhouse gas emissions Statewide um

28:57

there is no carbon trading going on with the climate commitment act it really is a c a cap and invest program and we are

29:04

the recipients of this investment so I recommend the city should be against the two initiatives are all right I'm going

29:11

to have to end your comments thank you thank you there are no further

29:16

speakers Mr Mayor okay as there's no further appearances we now move to our next item of res regular business which

29:22

is approval of the consent agenda the consent agenda contains AB 6544 the September 20 2024 payroll certification

29:30

certification of claims for September 13 and 20 2024 city council regular hybrid

29:35

meeting minutes of September 17 2024 AB 6545 domestic violence Awareness Month

29:41

Proclamation number 347 AB 6546 Arbor Day Proclamation Proclamation number 348

29:48

AB 6547 indigenous people's day Proclamation number 349 AB 6549

29:54

agreement with MISD for fuel purchase ab65 27 letter of support for

29:59

improvements to psse low income utility assistance program council is there anybody that wishes to pull any item off

30:06

of consent tonight Mr Mayor Deputy Mayor Rosal uh I move that we uh remove AB

30:12

6527 from the consent agenda so pulled second okay is there a motion to approve

30:19

the consent agenda minus AB 6527 so moved is there a second second okay

30:24

moved by deputy mayor uh sorry council member Weinberg again Deputy Mayor Rosen mom city clerk please call the RO thank

30:32

you Mr Mayor mayor nce I council member Jacobson I council member

30:38

andraw I Deputy Mayor Rosen bomb hi council member Waker I council member

30:45

Reynolds I and council member Weinberg I thank you Mr Mayor okay thank you

30:50

consent agenda is approved as amended and uh read and our first item of regular business is AB 6527 letter of

30:57

support for improvement to PSC low income utility assistance programs and I understand you have a quick motion deputy mayor rosan uh Mr

31:04

Mayor I I move that we table further consideration of ab 6527 okay moved by

31:09

Deputy Mayor rosenbom seconded by mayor nce is there any

31:14

discussion not seeing any discussions C clar please call the RO thank you Mr mayor council member wer I council

31:21

member Jacobson hi council member Reynolds hi Deputy Mayor rosenbom hi

31:28

mayor nce hi council member Weinberg hi and council member

31:33

andrw thank you Mr Mayor okay motion to table is approved uh our next item of regular business is AB 6548 the 2024

31:41

comprehensive plan periodic update House Bill 1220 affordable housing Target capacity options and we welcome CPD

31:48

director Jeff Thomas and Senior planner Adam Zach welcome thank you mayor um for

31:54

the record Jeff Thomas with CPD Adam Zach our senior planner will be joining me for this item tonight uh Adam has a

32:01

short presentation that he's going to walk the council through here over the next number of minutes and then uh we'll

32:08

certainly be available for any questions the council may have that we'll do our best to try and answer and um the

32:14

objective for this evening is to hopefully get some direction from the Council on next steps on uh this

32:20

particular matter so that Adam go ahead and bring up the presentation and we'll get

32:25

rolling all right

32:32

thank you Jeff um so as Jeff just mentioned we're looking for we're here

32:38

tonight to ask for direction on four um topics uh the first direction that we'll

32:45

be looking for the first Direction request we have tonight is for you to select two uh from two different options

32:52

for increasing the development capacity in the Town Center these were labeled as option options A and B in the agenda

33:00

Bill the second Direction request We'll be asking for tonight um is Direction on

33:07

an affordable housing percentage so this will be the percentage of of total

33:12

housing units in the Town Center that would be uh required to be affordable in new development the third request uh

33:20

Direction request 3A is to select the Ami affordable level that those required

33:27

unit must be um affordable at uh for rental housing and then 3B is for that

33:34

affordability level for ownership housing and then the final request that

33:39

we um would like some direction on is the optional 80th Avenue Corridor that

33:45

was outlined in the agenda bill so I'll walk you through each of those uh requests here um

33:52

shortly as a reminder um the way that we how we ended up here

33:58

is um during the comprehensive Plan update the city is required to comply with uh this the house bill 1220 that

34:05

was passed by the Washington State Legislature in 2021 um this includes uh the house bill

34:13

1220 establish some affordable housing targets that we need to um plan for in

34:18

our comprehensive plan um and in order to accommodate those uh those affordable

34:24

housing targets uh staff has identified that we we need to increase development capacity in multifam and mixed use zones

34:32

by at least 143 units during our comprehensive plan periodic review and

34:39

that uh multif family and mixed use component of it um really was directed

34:44

by the Department of Commerce guidance that we received for um complying with House Bill

34:50

1220 um if you'll remember in January of this year um the council after reviewing

34:59

um the findings that we were had a capacity deficit um you the city council directed that we look at addressing that

35:07

143 unit capacity deficit in the Town Center um by either increasing capacity

35:14

in the Town Center um and or increasing uh capacity in the commercial office

35:20

Zone um then in September of this year um when the count uh when the

35:26

comprehensive plan updated made its way back to the city council um during those deliberations on the

35:33

housing element we uh or the council further narrowed the the search to just

35:39

Town Center um so the direction is now to to accommodate that deficit only in

35:45

town center rather than considering the commercial office

35:51

Zone in the agenda bill in agenda bill 6548 um there were two options presented

35:57

ented um for increasing development capacity in the Town Center um the first

36:04

of those options option A is uh increasing the development capacity by

36:09

adding one floor uh to the maximum Building height throughout the Town Center Zone um that's the area outlined

36:17

in pink on the map on the screen here um and if we were to do that so for example

36:25

all of the um TC 3 Zone would go from being uh from a three story maximum to a

36:33

four story maximum what we found in analyzing the development capacity um

36:39

that this would uh create is this would increase development capacity by roughly

36:44

152 units and so it would add enough development capacity to address the

36:50

shortfall identified earlier in the year the second option presented in the

36:56

agenda bill option b would increase the maximum Building height in some of the

37:03

sub areas of the Town Center um and leave others unchanged um the first area

37:10

that the maximum Building height would be increased um is the tc5 and tc4 plus

37:16

area which is the area outlined in purple on the map to the right uh under option b the areas

37:24

outlined in purple the maximum Building height would would increase from uh five

37:29

stories to seven then the second part of this option is to increase the maximum

37:37

Building height in tc4 which is the area outlined in Orange on the map and that would increase the

37:44

maximum Building height in that area from four stories to five stories and

37:49

what we found is in analyzing the capacity here is that the um the

37:56

development capacity in total in the Town Center would increase by about 237

38:02

units so this would also um provide enough development capacity to address

38:08

the uh capacity deficit found so the first piece of direction that we'll be

38:14

looking for after my presentation is whether option A or option b is the

38:20

preferred approach for development capacity the second direction that we're

38:26

asking for for is um Direction on the required percentage of total units

38:34

required to be affordable in new development in the Town Center currently

38:40

the code requires any new construction of a building taller than three stories

38:46

in the Town Center must include 10% of its units um as affordable housing units

38:53

um and in in the agenda Bill we analyze um the potential of increasing that um

39:02

affordability percentage from 10% to 15% so in the um the the alternative the

39:10

proposed alternative would um any new construction in the Town Center would be

39:15

required to have 15% of its units be affordable as opposed to 10% so we're asking the council to give

39:23

us Direction on whether the 10% is preferred or the 15% % or another percentage if

39:33

desired the third Direction piece of direction that we're looking for is related to the affordability requirement

39:41

for those units that are um required to be affordable um currently um under the

39:49

existing code um any development that's taller than four stories and includes um

39:58

includes residential units um is required to provide affordable units at

40:04

60% um of the or units that are affordable at 60% of the area median

40:11

income um and alternative to that we could increase um

40:17

or deepen the affordability required for those units to 50% Ami as opposed to 60%

40:25

so we're looking for whether the count ccil wants to pursue a deeper affordability requirement for those

40:32

rental units um similarly Direction request

40:38

3B um would be for owner occupied units um currently in the Town Center those

40:46

affordable units or in order to qualify as affordable units um owner occupied

40:51

units in new development um must be affordable at 90%

40:57

of the area median income in town center um so we'd like your direction as to

41:02

whether or not to keep that 90% or possibly make that um more deeply

41:09

affordable um at like the 80% uh range there for and that that would be for

41:16

owner occupied units in the Town

41:22

Center the fourth um or fifth piece of direction that we looking for from the

41:28

council tonight um is regarding an optional additional capacity buffer um

41:35

we're looking for direction as to whether or not the council would like uh staff to further analyze this area for

41:42

potential reone um and this I if we were to look

41:47

at um adding some additional capacity in this area highlighted in green um that

41:53

could help the city in the future demonstrate um that I could prevent um

42:00

the potential for being required to add more capacity in a later process So

42:07

currently the city will go through a five-year progress report with the state and the county um in

42:14

2029 and a big part of that progress report will be looking at how we've um

42:19

how the city has progressed on achieving its goals um if we were to add a little

42:24

bit more capacity that could help uh when we get to that 5year check-in

42:29

demonstrate that we're um that we still have capacity to meet our needs um the

42:35

agenda Bill included a table that illustrated kind of how development capacity potentially could get um used

42:43

as new development occurs kind of pushing us back into the same kind of position that we're in today uh needing

42:51

to up zone or add add development capacity rather um so either at the five

42:57

your review or um at our next periodic review I see Jeff jumped on this the

43:03

camera here did you have something to add Jeff I've been on the camera the whole time I did un so um yeah I I just wanted

43:11

to take a quick moment uh to touch a little bit further on this um in working through these options uh A and B uh when

43:21

we started putting that uh that running tab together that's in table one of your

43:27

agenda bill it became apparent that it wasn't going to take very much uh to put

43:33

us right back in you know a similar position to what we're in today or even a slightly worse position than what

43:40

we're in today in a very short amount of time and the reason for that is when

43:45

these private developments occur they're adding X number of market rate units and

43:51

then you know a a subset of that is the the number of affordable units at the

43:56

the current 10% rate or perhaps something a little bit more than that if the council chooses to turn that dial

44:02

here this evening uh for future developments and what what the real

44:08

interest here is is not having a little bit of sustainability here in not being

44:14

in the negative constantly um we we've had actually this discussion at a

44:21

previous meeting some time ago now but kind of yo-yoing back between being in the positive being in the negative

44:27

having the capacity to meet our affordable housing Target not having it and just bouncing back and forth um by

44:34

looking at some different options and this is certainly an you know an alternative that isn't going to happen

44:41

instantly this uh this request here that's on the screen but if the council is interested in this and is interested

44:47

in creating a little bit of capacity sustainability over a period of time uh

44:53

we could perhaps get to that 2029 checkin um in good shape and we could um

45:01

hopefully avert um any mandated actions that may

45:07

come down from above whether that's at the county level the regional level or the state level um for looking at our

45:16

capacity that snapshot in time and saying you know hey uh you're in the deficit you know you're going to need to

45:22

do X Y or z um we we want to control our own destiny as much as possible here we

45:28

don't know what the future is going to hold and what kind of additional legislation is going to be

45:33

coming down over the next few years um so I think being uh the best stewards

45:39

possible of our um our available capacity and uh you know being open and

45:45

upfront about that is a good thing so with that Adam I'll let you uh finish up

45:50

here in the next slide or two great thanks Jeff um so it agenda Bill

45:58

included a recommended motion and then I believe Jeff emailed a an additional

46:05

recommended motion um last night um to address to get us the direction on those

46:12

decision points um that we've um or Direction points that we've touched on

46:18

tonight so the first the first Direction point that we talked about with option A or B that's highlighted here in the

46:25

first highlight um so if if you were to make this motion you can select which U which of those

46:32

options is preferred the second decision point in terms of um the percentage of

46:39

affordable housing that would be required that would be the second highlighted point then 3A and 3B the Ami

46:48

affordability level percentage that would be at the second or sorry the

46:53

third and fourth highlighted um section of the recommended motion and then the

46:59

final piece that we were just talking about along 80th Avenue there the optional additional capacity that could

47:06

be addressed by this uh second motion here um once we have the direction from

47:12

the council um the next steps for this project would be um the staff will

47:21

prepare an interim ordinance um based on the on the direction that we get tonight

47:26

um and we would bring that back for a public hearing and a first reading um on

47:32

November 19th um and all of that would then kind of Link back up with our

47:38

larger comprehensive Plan update um that we've been working on for the last month

47:43

uh with the council and mayor if I may just before you start to uh take council member

47:49

questions um if I could just take one more quick minute here Adam can you go back one slide please these recommended motions count

47:56

Council in just in the event that you have not had a chance to check your city email in the last 24 hours um these were

48:04

sent out at approximately a little after 5:00 pm uh last evening and um the first

48:10

motion is an amended motion from what was in your packet and that was prepared

48:16

um to uh make sure that we were also uh addressing uh ownership affordability as

48:24

not just the rental unit affordability which was was the original motion that was in your packet and then uh the

48:30

second motion is new and um and again this is an optional motion for the

48:35

council uh it simply states that if you'd like to look into that 80th Corridor a little bit further you could

48:42

direct staff to do that and uh bring bring it back to city council at some point in 2025 for additional

48:49

discussion uh with that mayor I believe that concludes our presentation so we'll turn it back over to you and the council

48:55

thank you for that while you're here do you have a slide that maybe I saw it missed it in there a table with the Ami

49:01

banded um units that we have the Target under 1220 do you have that unit count it was

49:09

actually attached to my email last night we can uh dig that up for the council here and get that on the screen in short

49:14

order okay if you could work on that council member Reynolds that was actually going to be

49:19

my first question but last by second question instead which is with regards to the 10% or 15% limit

49:27

um I'm interested in the the practicality viability of that are there

49:32

examples uh of other nearby communities that have built units at the 15% level

49:39

without uh government subsidy and if so has anybody done it at a higher level

49:45

like a 20% or 25% requirement outcom Subs yeah what I can tell you is that um

49:51

the arch member cities including Mercer Island have been working with a consultant that Arch has

49:57

um hired here uh recently to help its member cities uh work through some of

50:04

these uh potential feasibility scenarios and what we found in having

50:09

archers consultant work with uh Mercer Island here recently is that 15% number

50:16

um does as a standalone turn the dial uh

50:22

requirement with the um the option b the seven stor

50:27

the 15% does even with interest rates uh where they're at currently and you know

50:33

in the process of falling it looks like um the 15% does come pretty close to a

50:40

standalone feasibility for a seven story project on merland um with the Lesser stories so

50:47

the like the going from the four to the five uh that was also part of option b

50:53

um not quite there just yet with interest rates in terms of feasibility at the 15% level but um we also did not

51:03

you know we we ran or the consultant not Adam and I didn't run it the consultant

51:08

did um ran scenarios that um when you start to look at other tools that are in

51:15

the house the draft housing element that the city may choose to deploy at some future point in time those tools uh will

51:23

help achieve feasibility at a lower height over time uh assuming that those

51:28

tools or at least some of those tools again are developed and deployed at some point

51:35

so anything else Council rolds I have another question but I'll

51:41

wait my turn Okay Council M Jacobson yes my question has to do with

51:48

slide number seven and I wonder if you would mind bringing that back to

51:54

life yeah let me pull that

52:06

up this slide here yes that's the one um and the basis

52:15

for my question is something that happened to Ark some years ago and it had to do with ownership I believe in

52:22

perhaps occupancy I don't my Rec my recollection is imprecise on that but

52:28

the in terms of particularly the ownership part of it um and to some degree I'm just looking

52:37

at it both ways whether it's rental or ownership uh is it correct to assume

52:42

that the uh Ami of the person uh who's

52:49

going to either rent or occupy is determin at the time that the U that

52:55

individual uh signs the papers yeah council member Jacobson um I

53:03

am vaguely uh familiar with um the matter that you're bringing up that

53:08

occurred with Arch uh my recollection is that it was regarding ownership units um

53:17

and it had to do with um I really don't want to speak out a

53:23

turn with this and say something that's incorrect but I my recollection is uh it it did it did involve uh future

53:31

transactions of units that were occurring and there was

53:36

um protocol that needed to be reinforced I guess and cleaned up and my

53:44

understanding is Arch did take those steps to remedy those issues that were brought up at that point in time so um

53:50

that's that's my recollection of the situation from a number of years ago to answer your question directly yes I do

53:56

believe that the income verification would occur prior to the transaction

54:02

occurring and I believe it's always intended to occur that way and uh again um there may have been some problems

54:08

there in the past which have been uh remedied here uh any more recent years

54:14

uh Mr Mayor I have one other I have several other questions but I would if

54:20

one very short request would obviate the need to ask all those questions which I don't believe bear directly on any these

54:27

motions uh if I'm be permitted to make a request carry on uh I would just like to

54:35

understand somewhat better about how uh Ami stuff uh gets enforced over time if

54:43

at all and uh so Jeff if you're or one of your staff at some point before too

54:50

long could make themselves available I've got a bunch of questions but I don't think they're going to edify any of my colleagues here uh

54:56

so if that's possible um the other thing I would say is I I commend you guys for uh keeping

55:04

all the balls in the air and seeing if you can get more balls in the air at the same time I appreciate the difficulty of

55:10

that uh that exercise and so I'm all for the idea of having as we used to say in

55:17

the Navy an anchor out to Windward in case somebody changes the rules sure that's it from my mouth Mr Mayor thank

55:25

you council member Reynolds I think my other question will

55:30

I want to wait until we see the slide they're about to put up if they are going to put that up
yeah I've I have

55:36

the table if that's um yeah here let me share

55:43

that is this is the table you were looking for council member Reynolds

55:50

yes so my my question essentially comes down to this let's say we adopt keep the

55:56

math easy we adopt option b and we keep things at 10% and we don't adopt we

56:02

don't do the additional capacity on option four um that's going to create

56:08

presumably 237 time 10% or about 24 units of affordable housing is that

56:14

correct yeah roughly in the new capacity um okay so that seems like it pales in

56:22

comparison to the 488 whatever that is there so what's the vision for what

56:30

happens next yeah I'm glad you asked I mean that's a that's a good that ties in with

56:38

the other work that we've been doing on the comprehensive plan um really well so there
there are a bunch of other

56:44

policies in the comprehensive plan housing element that talk about additional actions the
city will um

56:51

explore or consider doing over the lifetime of the plan so include um the

56:57

fee and Li of housing option um exploring some of the other levers and dials that we have available

57:04

to to us um to um encourage some of some

57:10

more construction of affordable units and the idea is that over the over the lifetime of the plan as we implement

57:16

that housing element and take those additional actions we'll be moving ever closer towards achieving the the target

57:23

here um so the first step is to make make sure that we have the zoning capacity that's that option A or B and

57:30

then the additional steps that follow on implementing the housing element um over the next several years um helps get us

57:40

further to that 488 number that you pointed out or the other affordability numbers in this

57:46

tape that's helpful may may I ask a followup Mr Mayor certainly so I'm I'm thinking about

57:52

option four here for adding additional capacity and I'd like you to uh helped me to think about this whe whether I'm

57:59

thinking correctly um if we approve option four then we've

58:05

created an additional uh I don't remember what the additional capacity was number was but some number of units

58:11

that we will get us 10% or 15% of that which would still be far short of the

58:17

488 unless some other things happen like talked about a moment ago would it make more sense to not

58:26

approve the additional capacity to give other options time to work and evaluate

58:32

what's really happening and what we're really succeeding with and then at a later

58:40

time increase the additional capacity in those later zones uh with a an even stronger

58:46

requirement a 20 or 25% requirement that we might not be prepared to do so I might not be prepared to do that yeah

58:53

let me let me let me take a swing at response to that it's a it's a good question to think about um so just a

59:01

little bit more about the the 80th Corridor that's not something that is

59:08

going to be um approved here in the short term um

59:15

because the situation with that Corridor is that it's part that sub will'll call

59:20

it a sub area for the purposes of discussion here this evening it's part of the broader zoning District of the

59:27

the TC3 zone so um what we would do is

59:32

if the council's interested in having additional discussion about that area that's what we would bring back in 2025

59:38

some additional information um have a you know a work session type discussion about it and then that would need to go

59:46

through doing process in a future year and it would then you know go through a

59:53

rezone process a city initiated uh uh rezone process at a future point in time

59:59

so even if the majority of you this evening think that that's a worthy idea

1:00:05

to you know continue to look at to transact that into different zoning that

1:00:13

exists there today you know we're we're going to be looking at we could be looking at 26 2026 2027 so it's going to

1:00:20

be a few years down the road anyway to go through the all the steps that we need to get from today to there

1:00:27

um and you're right A lot can happen over the next couple years and that's something we can continue to Monitor and

1:00:33

obviously we're going to continue to discuss it with the council to keep you apprised of you know what's transacting

1:00:39

at the state level uh what else is happening at the regional level and so forth and keeping you up to date on you

1:00:44

know the numbers here locally on Mercer Island so um again it's the pleasure of

1:00:51

the council if if you'd like us to do a little work on it here in the shorter term and come back and have an addition discussion about it in 2025 we're happy

1:00:58

to do that if Council decides you'd like to wait a little bit um Adam and I will

1:01:05

be here to remind you of uh you know where it is and where we're at with it so it's it's uh it's it's really I don't

1:01:13

think we can go wrong this evening and I don't think we could go wrong either way with whatever decision Council make I'm

1:01:19

very glad to hear you'll still be here in a few years I'm going to hold you to that um the uh the the other uh uh I

1:01:28

just want to confirm the option A and B I take it would be considerably faster than that expanded to we can do that in

1:01:34

a shorter time frame option A or the option A or B would be effective 1231

1:01:41

2024 okay um to be GMA compliant and to

1:01:46

uh you know part of that 1220 package so okay thank you okay Council it's this is

1:01:55

a plan that we got to get on the runway tonight and we got a long night ahead of us so I'm going to make a motion and then we'll just look for amendments to

1:02:00

see if uh people want to get away from where the staff proposal is going to get us uh so I'm going to move to direct

1:02:07

staff to prepare an ordinance containing interim development regulations for public hearing consideration on November

1:02:13

19 2024 incorporating option b an adjustment of affordable housing

1:02:18

requirement to 15% and an Ami of 50%

1:02:26

for rental units and an Ami of 80% for ownership units is there a second second

1:02:32

seconded by Deputy Mayor rosenbom I'll speak to it just briefly you've seen the the 1220 targets and the

1:02:40

two bands that we know that we can uh we sense that we can have some effect with

1:02:45

with the height bonus or the 80% Ami and the 50% Ami uh 488 on the 80 80% Ami

1:02:52

might lead someone to believe that we should be pushing the throttle closer to those units but I have heard and had

1:02:59

discussions with other Mayors in the region that with subsidies and and funding through Microsoft and through

1:03:05

Amazon's housing funds that there is uh development contemplated at 100% 80% Ami

1:03:13

uh units and so there there are going to be some things in the marketplace that are not free market principles but do

1:03:20

have other forces behind them that can help us get to the 80% Ami units 80% Ami is still pretty lofty number in terms of

1:03:26

salary and earnings in the region and so trying to direct the rental units and the 50% Ami ban to the extent that we

1:03:33

can achieve those through these greater height incentives to me really speaks to the spirit of what house build 1220 is

1:03:40

trying to do and what our Target Ami Target bands have us trying to achieve

1:03:45

at the five-year check-in you know being able to go in there with this kind of capacity and with these types of targets

1:03:51

U into our bonus incentives I think it gives us good ground to say that we did try uh adding the 80th Corridor would be

1:03:59

another thing that I'll be supportive of because going into the 5-year check-in with that extra capacity uh is truly

1:04:05

going to be a Tailwind for us we're not going to want to argue that we didn't achieve our goals because there were points in time uh in the 5year period

1:04:12

that we didn't have the capacity that was required so I'm going to support that as well and I'll open it up for

1:04:20

council is there any discussion

1:04:26

okay Mr Mayor can I clarify that the first percent you said was

1:04:32

15155 yes ma'am all right so question council

1:04:39

member Weinberg so um when looking at options uh A and B uh

1:04:47

the concern that comes to mind is concurrency uh and uh when we

1:04:54

significantly increases increase the allowed height uh for an area and it

1:05:00

redevelops then there's a greater need for water and sewer and uh Power and uh

1:05:09

traffic and the ability to uh to move vehicles uh around uh I was wondering if

1:05:15

I could uh ask uh director Thomas to comment on the concurrency differences

1:05:22

between uh options A and B and is there one that would likely have a greater

1:05:28

impact to our ability to uh update uh

1:05:33

the utilities or the infrastructure I was just mentioning uh than the other yeah good question council member

1:05:40

Weinberg um the the net yield as Adam had reviewed earlier uh they're they're

1:05:48

in similar range option b is slightly higher in terms of the additional capacity that will be added Adam you

1:05:54

have those numbers off the top of your head again they were both in the 200s I believe option b would add 237 units of

1:06:01

capacity and option A would add 152 units yeah so we're we're somewhere in

1:06:08

the 7075 uh unit Delta between the two options so um the difference

1:06:16

there uh is relatively minor when you look at the overall size of the island

1:06:22

and certainly the town center but um we would definitely uh make sure that we're

1:06:27

correlating our ability to provide uh infrastructure and services uh to you

1:06:33

know whatever number capacity that we uh will be undertaking here uh whether it's tonight December 31st or at some point

1:06:41

in the future if I can followup question um so my understanding is that with

1:06:47

option b we would have a greater concentration of more height at the northern half of the Town Center with

1:06:54

option A we'd have an increase in height that's less concentrated but across town center essentially and so my perception

1:07:02

let me know if this is correct would be that with option A there would be a need

1:07:08

for updating the utilities uh and the infrastructure I was talking about

1:07:13

across town center but it wouldn't be as acute whereas with option b there would be a more acute need for the upgrade to

1:07:21

uh utilities and infrastructure in the northern half where the greater height would be located is is that a correct

1:07:28

summary of the differences between the two um you know I would use the word

1:07:35

evaluation I am not a utility providing expert or an engineer by any stretched imagination so I would certainly you

1:07:42

know a more accurate answer would be provided by um you know somebody else other than than yours truly here however

1:07:50

um I would say that an evaluation would need to ensue in either scenario to make

1:07:57

sure that we are check and balancing uh the current city infrastructure with we

1:08:03

may find that there may not be or there may only be minor infrastructure needs in either scenario we don't we don't

1:08:10

exactly know that one way or the other but uh that that check and balance does need to be done to make sure that we are

1:08:16

keeping um all Rolling In The Same Direction with our utilities and our

1:08:22

okay thank you okay Deputy Mayor R I just want to add real quick uh this anyone watching at home this

1:08:28

might seem like a quick a quick discussion but I want to add a little color here that there has been hours and hours and hours of analysis done by the

1:08:34

staff uh on some of these decisions uh in terms of you know the options here

1:08:39

that get us closest and and help us achieve the goals under HP uh 1220 so I I think this motion gets us in a good

1:08:47

spot and encourage everyone to support it excellent thank you all right not

1:08:52

seeing any other discussion see clear please pleas call the R thank you Mr mayor council member

1:09:01

wer I council member

1:09:09

Reynolds cosma Reynolds I thank you Deputy Mayor

1:09:15

rosenbom hi or council member Weinberg I mayor nce hi council member Jacobson hi

1:09:23

and council member andraw hi thank you Mr Mayor all right motion passes next

1:09:29

council is there a motion to direct staff to further evaluate an optional additional capacity buffer in the TC3 sub area along 80th Avenue Southeast

1:09:36

northe north of Southeast 30th Street and bring this matter back to the city council for further discussion in 2025

1:09:43

so moved okay moved by Deputy Mayor rosenbom second seconded by Council

1:09:50

Reynolds any discussion Council uh deputy mayor

1:09:55

Ros to raise my hand go you no go ahead you call in first real quick uh yeah you

1:10:02

know I think we covered some this before but I think uh studying this additional capacity will give us a uh a better idea

1:10:08

of of of having that capacity going forward into the the next check in 2029

1:10:13

thank you Deputy May or sorry council member weberg yeah uh so in the packet we were seeing that this option uh had

1:10:20

two different uh uh possible courses one was to increase by by five up to five

1:10:26

stories the other one was increase to seven stories my understanding is that the current wording of the motion does not specify but says come back with with

1:10:34

to us with options for increasing it so we're not specifying okay thank you thank you uh CC M

1:10:42

Jacobson well I'm all for this because I think uh given the history of the past

1:10:48

few years with what the legislature does with housing and it's Infinite Wisdom quote unquote um I think it's much a

1:10:56

much better idea to know where our whole cards are and what they are and so I'm

1:11:01

in favor I'm going to vote for it excellent thank you all right any other

1:11:07

discussion not seeing any other discussion C cler please call the R thank you Mr mayor council member

1:11:14

andrw I council member Weinberg I council member

1:11:20

Reynolds I heard I saw you say I but I didn't hear it I

1:11:26

council member Jacobson hi council member wer hi mayor

1:11:32

nce hi and Deputy Mayor Rosen hi thank you Mr Mayor all right thank you motion passes our next item of regular business

1:11:38

is AB 6542 the financial status update and second quarter 2024 and budget

1:11:43

amending ordinance and we Welcome Finance director Matt morning good evening may
nise members of

1:11:50

the council and city manager Bond uh tonight I'm going to introduce uh our close colleague
Ben Schumacher financial

1:11:57

analyst he is going to walk you through the second quarter financial status update for

1:12:05

2024 good evening city council go ahead and share my screen

1:12:10

here just got could I get a feral confirmation that everyone can see that you can see it but
it's not quite in the

1:12:17

right mode

1:12:23

oh there we go Perfect all right thank you um so good

1:12:29

evening city council like Matt said my name is Ben Schumacher financial analyst here City
merer Island I may have to mute at times excuse me as I'm getting

1:12:36

over a cough uh from the weekend to nasty cold uh trying my best not to cough in
everyone's ear here um so I'll

1:12:41

be presenting financial status update for quarter 2 2024 or AB 6542 moving right into it we
got about

1:12:48

11 slides in front of you today uh we'll go over our budget for actuals for June 30 of 2024 with some comparison to the

1:12:55

prior fiscal year um of 2023 U we have some language around our budget amending

1:13:00

ordinance that contains two new Appropriations for Council to considered tonight and then staff will be available

1:13:05

for questions at the end as a quick reminder uh of our accounting procedure change that the

1:13:11

city underwent um starting January 1st 2024 uh we moved from the General

1:13:16

accepted accounting principles or gaps um full acral accounting to cash bases method as outlined by the state uh

1:13:23

Washington State auditor's office um what does this mean for fiscal year 2024 financial status updates uh really just

1:13:29

impacts the timing of our Revenue recognition um specifically in that January 2024 um January 2024 revenues

1:13:37

that were accrued Back to December 2023 um which were already reported to council as part of our fiscal year 2023

1:13:43

year end status update um and then we're not reported again in qu one of

1:13:50

2024 um this really does affect or all this really does affect your over your comparisons um this is more obvious the

1:13:56

less months of data that we have in these financial status updates so quarter one was the most obvious Quarter Two it's still um

1:14:03

noticeable moving through to our budget actuals uh this table in front of you has our general

1:14:10

fund revenues and expenditures for 2024 um through quarter 2 as well as 2023

1:14:15

through quarter 2 uh and then we have our 2024 actuals compared to the amended

1:14:20

budget general fund revenues uh ended at 46% of amended budget as well within budget expectations Council will notice

1:14:27

that the 19.4 million for quarter 2 of 2024 was slightly lower than quarter 2 of 2023 that can be directly attributed

1:14:34

to the uh change in accounting procedure um but we do have some revenues that are outperforming 20123

1:14:41

marks um for general fund expenditures uh we came in at 21.4 million at the end

1:14:47

of quarter two uh that's 50% of our amended budget that's right within our budget expectations um we are about 3.8

1:14:54

million higher than the prior fiscal year um some of that is attributed to uh inflationary costs due to

1:15:00

CPW uh as well as some onetime costs associated with our Eid fire and rescue contract that were not present in

1:15:06

2023 um moving on to the utility funds so for revenues and utility funds we ended at 48% of our amended budget in

1:15:13

2024 through quarter 2 uh that really is Right within budget expectations um and

1:15:18

reflects the seasonality of utility revenues uh with our hottest months of the year happening in usually quarter

1:15:23

three um and we are higher than prior uh year actuals due to rate increases that took

1:15:29

effect on January 1 2024 for all three utility funds as far as expenditures go

1:15:35

uh a draw council's eyes to the comparison between Quarter Two of 2024

1:15:40

and quarter two of 20123 that 15.4 million and 12.4 million um that increase of over 3 million um year-over

1:15:46

year that really speaks to the amount of capital spending that is happening in the city right now especially in the utility funds uh due to the Aging

1:15:53

infrastructure that is at the of its useful

1:15:58

life um to call out some general fund revenues uh to council's attention uh so

1:16:03

for sales tax revenues if we exclude January of 2023 um and have a really Apples to Apples comparison so February

1:16:10

through June fiscal year 2023 through 2024 sales tax revenues are actually up about

1:16:16

47,000 um that can be attributed to inflationary impacts as inflation has stayed relatively stagnant over that

1:16:22

period of time uh and then increased activity in our retail wholesale trade sector we have seen a slight decline in our construction sector but it has been

1:16:29

more than made up for uh in our retail and wholesale trade sector interest earnings are also continuing to exceed

1:16:34

budget expectations uh that does come with a little bit of a caveat um we expect the federal funds Target rate cut that just

1:16:40

occurred a couple weeks ago um to begin affecting our interest earnings in quarter four of this year um that information was taken into account for

1:16:47

our revenue forecast moving forward um as far as other City revenues

1:16:54

go there's really just one uh that we wanted to call Council attention is our real estate excise tax or re revenues as

1:17:00

a reminder these are primary resource for the street and capital Improvement funds um and we saw a lot of volatility

1:17:06

in this fund over the last four years um specifically major swings in this revenue from 21 to 22 in 2021 we

1:17:13

experienced a 15-year high in total sales at 530 property sales recorded uh and then we got the opposite side of

1:17:19

that coin in 2023 and 2024 um with a 13-year low of total sales reported um

1:17:25

those were the lowest numbers we've seen since 2009 uh and we're actually seeing an even lower number of property sales

1:17:30

through Quarter Two of 2024 so far so that means the low Market

1:17:37

activity or the low activity in the market continues through quarter 2 2024 uh the table in front of you here is comparing the first six months of four

1:17:44

fiscal years so 2021 through 2024 uh we have three metrics here our average monthly inventory for each month our

1:17:51

average property sold per month and then our total revenue for that 6 month period you can see that our average

1:17:57

monthly inventory uh increased in 2023 um which shows the or which staff

1:18:03

believed to personify a stagnant Market that did decrease in 2024 um our average

1:18:10

property sold have decreased again uh and then really just highlighting the total revenue um decline over that over

1:18:16

the fouryear period U really just highlights the volatility in this Revenue

1:18:22

Source U moving to our budget amending ordinance um so the budget amending ordinance uh number 2413 list in detail

1:18:31

the budget amendments resulting from prior city council actions um from May 21st of 2024 to today's date uh it

1:18:38

includes those two additional budget adjustments um the first one being that city council appropriate a million of

1:18:43

unassigned fund balance in the general fund to the municipal facility replacement reserve and of that 1

1:18:49

million appropriate 785,000 from the municipal facility replacement reserve for schematic design services

1:18:55

of the new Public Safety maintenance facility uh in total this will increase the public or the uh Municipal facility

1:19:02

replacement Reserve uh over 3.2 million and bring the public safety and maintenance building to 50% schematic

1:19:08

designed for city council review in the first half of 2025 uh the second action is uh involves

1:19:17

appropriating the city's remaining arpa funds which amount to roughly 638,000 uh as the council is aware ARA funds must

1:19:23

be encumbered in third party agreements before before December of 2024 and fully spent no later than December of 2026 the

1:19:29

budget adjustment in front of council tonight is based on staff's recommendation to pay to spend down the city's remaining arpa funds before the

1:19:35

end of this year on eligible projects as they come online uh staff is moving forward recommending that we move

1:19:41

forward multiple facility related projects that represent eligible uses of arpa funds so that as work is completed

1:19:47

staff spend down arpa resources as invoices come due this is a similar strategy staff has used uh in the past

1:19:53

with other time gated funds so that dollars remain securely invested within the merer Island community staff's recommendation is that

1:20:00

Council adopt ordinance number 243 amending the 2023 2024 by annual budget

1:20:05

staff is now available for questions okay thank you all right Council any questions on the

1:20:12

q224 update or the budget amending ordinances Council M

1:20:18

Jacobson yes uh uh Mr Schumacher could we look at I think at slide four

1:20:25

that's a yes on my part but my question deres out of that me find that for

1:20:42

you is this the slide I don't have anything yet okay

1:20:50

apologies for the confusion and that would help if I hit the share button but there we go
yeah

1:20:57

um the um in both

1:21:04

the 20 Q2 2024 actuals for expenditures under general fund and utility funds we

1:21:13

we have um increase over 24 over 23 and my

1:21:21

question is and it may not be Su simple an easy answer at this point but uh I know we we've
had a number of uh

1:21:29

unexpected uh problems not the least of which was the city uh favor the 24 inch

1:21:35

uh supply line um is it possible to to know or provideed at some later Point

1:21:43

how much of either in those expenditure categories are due to what I i' term emergency or
unforeseen expenses

1:21:54

no questions may not be clear so if you need some clarification just ask uh yeah could you
so is so could you

1:22:02

repeat the question and maybe clarify a little bit what you yeah emergency expenditures the

1:22:07

Q2 uh 2024 actuals versus Q2 2023 actuals in the expenditure categories

1:22:15

for both general fund and utility funds are greater than they were and the 24s

1:22:21

are greater than the 23s I'm um uh which isn't you

1:22:27

know it's my question is do we know how much of that was results from emergency

1:22:34

or an unforeseen expenditures such as and this may not have even Fallen Q2 I'm

1:22:40

not sure where the money hit uh are having to deal with uh uh the uh leakage

1:22:47

in the 24 in line and a number of other unexpected uh things that happened that

1:22:52

we had to deal with and deal with right now and I don't I'm not expecting you this isn't trying to stump the chump but if

1:22:59

you don't have an answer no that's fine if you could give me some idea if that's

1:23:05

identifiable or if it's just a bad question some reasonably short period of time i' appreciate it Matt are you in a

1:23:12

position to uh um offer any thoughts on the difference between 23 and 24 and if

1:23:18

not that's okay uh let's just note that we will follow up uh with the council

1:23:24

this week or early next week to answer that question yeah as as it pertains to

1:23:30

emergencies uh council member Jacobson we can go back and take a look at that most of the

1:23:36

expenses related to the spu transmission line emergency work um did not hit um

1:23:43

before the end of June and so they most likely were accounted for after June

1:23:49

30th um so the table that we're looking at Compares January to June uh 30th um

1:23:55

for 2023 and 2024 but it's a it's a good question we can we can go back and and

1:24:00

take a look at how much was uh essentially accounted for uh associated

1:24:06

with the the SP water main break and if I can add one comment I'll shut up the

1:24:11

the reason I asked the question is as we budget going forward are we experiencing a higher failure un unforeseen failure

1:24:20

rate of uh Utilities in particular for which we ought to be reasonably

1:24:27

reserving and so you don't need to comment on that but that's that's where

1:24:32

you know why I'm asking the question perhaps in a so perfect got it kesar

1:24:39

Reynolds yes um I have a question that it's really a memory test for me which I

1:24:44

will probably fail Mr Schumacher did you go to slide

1:24:51

nine I'm curious about the bottom sentence on there where it says appropriate the remaining ARA funds for

1:24:58

facility rated work by year end I thought that the actual proposal was to spend the remaining ARA funds by year 20

1:25:05

by year end was I incorrect

1:25:11

Matt sure um let let me answer that um council member Reynolds so um we uh what

1:25:19

is laid out in the budget amending ordinance is um by design a request that Council fully appropriate the remaining

1:25:26

unappropriated arpa funds that amount to about \$638,000 so that that is the the tail

1:25:33

end of the \$7.2 million award um which we're working towards spending the

1:25:40

entire arpa fund award that the city of merer Island received in 2021 and 2022

1:25:46

before the end of this year so we're we're we're approving the appropriation

1:25:51

but the intent is also to spend so kind of both statements are correct is that true that's correct

1:25:58

precisely okay that strikes me as wise thank you okay cper

1:26:04

wer yeah thanks for appropriating that uh million bucks for the replacement reserve for the municipal facility um

1:26:11

Ben nice work on the presentation too I wonder if you could just speak a little bit about that whole Reit uh lack of

1:26:16

Revenue coming through because of the housing market that always is troubling I know we're going to talk about it later so we could just set us up for a

1:26:23

preview of Coming Attraction think we're ready to go on this yeah I can speak a little bit to the forecast

1:26:29

that we did um revolving around re revenues um so as far as uh budget expectations for 2024 ending the year

1:26:35

and how that really sets us up for the 2526 CIP plan that's coming um that heavily relies on re um revenues um we

1:26:44

actually it's kind of been booted by the average sales price of a property uh increasing by by about 18% in 2024

1:26:51

through the first um first half of the year um so it's even though property sales

1:26:57

are down uh it really is boomed by this average sales price going up um but as

1:27:03

as that revenue is so volatile uh it really does affect the fund balance we have available for um streets

1:27:09

specifically and capital Improvement funds going forward um I know we're daylighting our CIP program tonight uh

1:27:15

Matt do you have anything to add to that uh not much uh Ben other than we're

1:27:22

we're going to go through uh any great detail um the revenue forecast on

1:27:27

October 15th um we're going to talk extensively about revenues um and we

1:27:33

will go through the projections related to re at that time but I I will say that

1:27:39

the revenue forecast is completed and and we're projecting that

1:27:45

um with what's happening with the fomc um the the Federal Reserve and the

1:27:51

direction that they are signaling um with uh the federal funds rate changes

1:27:57

that we we we suspect that 2024 will Mark the the the bottom if you will the

1:28:04

floor of what's happening in the real estate market for the city of merer Island the merer Island community and

1:28:10

that things will will start to take a turn for the positive in 2025 and 2026

1:28:15

and we we'll get into more detail uh in a few weeks okay uh questions again for the

1:28:22

6:30 update and the budget amending ordinance so if that's what you got Council

1:28:27

Reynolds yes Mr scharer could you go back to the slide that had the re revenues the fouryear history or

1:28:33

whatever it was that's the one um I I know sometimes

1:28:38

in forecasting analysis you exclude the sales over 4 million or 5 million or 3

1:28:45

million I don't remember what the cut off point is is is is that done here and

1:28:50

if not I'm surprised this isn't distorted by the the sale of the farmers building and sale of Shorewood or did

1:28:57

those both predate this 2021 to 24 period no it's a good question Cals um

1:29:04

or Reynolds thank you so for 2021 those sales happened in November and December of that year um so those revenues

1:29:10

weren't refed reflected until the very end of that fiscal year um for the first six months it really was just an

1:29:16

increased activity in the market um there was also an extraordinary sale in

1:29:21

2022 um of the Paul Allen estate I believe that happened in the first quarter of that year uh it either hit in

1:29:27

July or Jan or June can't quite remember the exact date um but in terms of total

1:29:33

revenue the first half of 2021 really was just an extraordinary year um we it was a 15year high followed by you know a

1:29:41

13year low uh I think just the dichotomy in those two years and the revenues that resulted is what this table was trying

1:29:46

to highlight um and then I think there was a second part of your question uh could you repeat that or did I answer

1:29:53

everything I I think you basically got it I just want to confirm what you're saying that the 2021 number does include

1:29:59

the effect of those monster sales is that correct uh it does not so the first so this is for the first six months of

1:30:05

fiscal year 2021 um and those sales happened in November and December respectively um of fiscal year 2021 so

1:30:13

these these months don't include those extraordinary sales and 2022 does not include the extraordinary sale that

1:30:18

occurred in the first seven months of that year I believe okay and what is the extraord sale cut off is it 3 million or

1:30:26

5 it's a 100,000 so for a property sale it's 100,000 to 5 million and so it's

1:30:32

anything above 5 million or anything below 100,000 okay thank

1:30:37

you okay not seeing anything else council is there a motion to adopt ordinance number 24-13 amending the 2023

1:30:44

2024 by annual budget so moved second second move by Council M Wyber seconded

1:30:50

by Deputy Mayor rosenbom any discussion not seeing any city clerk please call the

1:30:55

R thank you thank you Mr mayor council member Reynolds I Deputy Mayor rosenbom hi

1:31:04

council member Jacobson hi council member andraw hi council member wer I

1:31:11

mayor nce I and council member Weinberg I thank you Mr Mayor very good motion passes our next item of regular business

1:31:17

is AB 6550 introduction to the preliminary 2025 2026 by annual budget

1:31:23

and overview of the 2025 through 2030 Capital Improvement program we Welcome

1:31:28

Finance director Matt mck chief of operations Jason kidner and city manager Jesse

1:31:37

Bond good evening city council uh for the record I Jesse Bond your city

1:31:43

manager and tonight I am pleased to present the preliminary

1:31:48

2025 2026 B annual budget uh which represents more than six months of

1:31:55

fairly intense uh staff work to get to this point uh my thanks to everyone

1:32:01

involved uh Council uh acknowledging your great leadership uh and the EXT

1:32:07

sounding work of our finance department and staff teams I'm pleased to say that the city is
in a sound financial

1:32:14

position heading into the next vium although not without some challenges particularly in
the operating

1:32:20

budget operating budgets which we'll talk about at the o October 15th city council

1:32:25

meeting you know our financial position is we look back on not just the last two

1:32:31

years but really the last two four and six years is uh the result of prudent

1:32:37

investment of ARP arpa funds federal funds that we just talked about uh completion of
some really impressive

1:32:45

body of major policy initiatives including the cost allocation policy and

1:32:51

careful thoughtful year over-year fiscal management and decision-making uh I thank you
city

1:32:57

council for your Steady Hand in that and your thoughtful Steward of the city's finances uh in just a moment I'll be

1:33:04

turning over this uh presentation to Matt mck our finance director who's going to walk you through the budget

1:33:09

timeline uh preview uh the budget document mostly uh the cheat sheets and

1:33:15

highlight uh the steps ahead by the way this work will take us all the way through uh the end of the year to

1:33:20

December um where we we will be anticipating adopting our budget uh before we go there though I I

1:33:27

wanted to share some comments um about the focus of tonight's budget discussion

1:33:33

which is on the screen there section e the capital Improvement program which is the star of our show in fact we

1:33:39

reordered our whole budget presentation we normally start uh with the operating budgets but we wanted to lead with the

1:33:45

capital program uh it is the focus of the next two years it is really the focus of the

1:33:51

next four years likely under your leadership again we are

1:33:56

poised to make these needed very very much needed once in a generation investments in all of our infrastructure

1:34:03

water sewer Parks roads facilities and more uh as I was thinking about these

1:34:08

remarks tonight uh living here on Mercer Island I know that these Investments are more about are more than just about

1:34:15

physical improvements uh they're critical to just about everything we do uh they support our quality of life they

1:34:22

create our community and ensure our safety uh they are really essential to what makes Mercer Island

1:34:29

such a special place to live uh city council these comments um

1:34:35

about the future I I must take a moment to look back on the last two years I was pretty rough I think uh to put it lately

1:34:44

um I was letting you know more times and I care to admit that we had some pretty

1:34:50

significant issues with our infrastructure uh sure you're tired of Fielding those calls and I was tired of

1:34:56

making them uh the closer of City Hall was was the big one but we also had two significant water

1:35:03

emergencies uh that occupied you know much of our attention and our time and and really strained us uh pretty

1:35:09

considerably uh but despite all that uh those those two tough years uh we

1:35:15

responded thoughtfully and strategically and again did so under your leadership after deciding to close City Hall you

1:35:21

directed us to begin designing a new public safety and maintenance building and you didn't hesitate for a second uh

1:35:27

that work is underway now and it's going to really occupy the better part of the next two years we'll be rehousing uh

1:35:35

police maintenance and Emergency Management you also told us after the last Water

1:35:40

emergency go design a new Pipeline and later tonight we're going to be talking about that um really really really proud

1:35:48

of how we have pivoted under some really challenging circumstances uh we're forging ahead on

1:35:54

the important work we're strengthening our infrastructure and in just a moment I'm going to show you some slides

1:36:00

looking back on just the last six years of Investments uh to really hit that that

1:36:06

home in closing I have to say this uh if you've been wondering what our Legacy

1:36:11

will be this will be our Legacy this once in a generation investment in our

1:36:17

infrastructure will be this Council the city staff our community's

1:36:22

Legacy um not just defining our time and Leadership but the future of our

1:36:27

community for generations to come really decades um I'm proud to be here tonight as your city

1:36:33

manager uh I speak on behalf of the entire staff team and sharing that we're fully prepared to tackle the challenges

1:36:39

ahead uh and that this budget and the capital Improvement program that we've laid out for you tonight is a critical

1:36:46

piece of that preparation and with that I will hand it over to Matt thank you

1:36:56

good evening mayor and members of the council Matt Mark here your Finance director this slide lays out the

1:37:01

schedule to work through the Bano budget this fall which began with the release of the preliminary Budget on Wednesday

1:37:08

September 25th as a reminder for the merer Island community the preliminary budget is a

1:37:15

draft policy document for the council to review to ask questions and provide staff guidance over the next four City

1:37:22

Council meetings October 15th is the first public hearing on the budget where staff will present

1:37:29

the revenue forecast the operating budget in detail and and recommend recommendations for council's

1:37:36

considerations to invest the remaining unassigned fund balance in the general fund and so to that end we request uh

1:37:44

that questions related to revenues and and the operating budget wait for the October 15th council

1:37:50

meeting by mid October uh we aim to have a clear understanding from the city

1:37:55

council on how to prioritize the city's limited resources for the next two years

1:38:00

if it's if it's helpful or or required um uh to further that discussion we will

1:38:06

hold an additional budget workshop on November 4th the second and final uh public

1:38:13

hearing to adopt key budget related ordinances will be held on November 19th

1:38:18

and so we aim to adopt the banal budget the first meeting in December

1:38:24

let's get into it so the preliminary budget as uh city manager Bond said is

1:38:29

built on the significant progress over the past two years and the culture that is shared among the council and the

1:38:36

staff team to enhance city services and operations with each other. The city's current financial

1:38:43

position is strong and that's in part due to like uh Jesse said one-time um

1:38:49

Investments and use of federal funds that we've put in public infrastructure and the city's facilities and Youth and

1:38:57

Family Services as well as just seeing through major initiatives over the past two years such as partnering with

1:39:04

Eastside fire and rescue and updating the city's cost allocation policies this work has created a bit of a Tailwind as

1:39:11

we go into the next phase the preliminary budget is balanced and it sets financial and Staffing

1:39:18

Resources over the next two years to accomplish the work plan goals laid out in the budget many of the city's uh

1:39:24

primary revenues over the next two years assume moderate growth um and a more

1:39:31

more stable economic conditions as we appear to be putting the period of high

1:39:36

inflation behind us we will go into more detail on revenues at the October 15th

1:39:42

council meeting but a key point I want to make here is that our Focus over the next two years like Jesse said is is to

1:39:49

really see through the proposed Capital Improvement program and the effort to modernize the city's facilities and

1:39:56

infrastructure that is coming upon the end of its useful life we're going to provide quite a bit more context later

1:40:02

in the deck of how we're aiming to reach uh what will be historic levels of

1:40:08

reinvestment as a reminder Council the preliminary budget document is broken into six sections sections a through F

1:40:16

and our Focus this evening is on introducing the budget and the capital program we're going to cover uh revenues

1:40:24

long-term projections and the operating budget um by department on October

1:40:30

15th before diving in the capital program it may be helpful to begin with

1:40:36

some context around City finances specifically how we manage Public's The

1:40:41

public's resources via fund accounting as the council is well aware the the

1:40:46

city's revenues vary between those that can be used on on General Services versus those that must be spent on very

1:40:53

specific uses and so the the city separates these resources into different funds which are distinct accounting

1:41:00

entities based on their intended use as defined by state law uh and prior city

1:41:06

council actions the city has 20 separate funds that are divided in into seven

1:41:13

categories listed here on this slide this slide uh takes those 20

1:41:20

respective funds and puts them into the seven categories and so I I want to briefly point out uh that uh new this

1:41:27

year is the development services fund fund number nine and this is a special Revenue fund that's related to um all of

1:41:34

the permit and development services the revenues and expenditures associated

1:41:39

with permit related services that are going to now track uh to this fund here

1:41:44

forward rather than to the general fund also fund number 14 the municipal

1:41:50

facility replacement fund or reserve it was a established in November 2023 by the city council with a Target funding

1:41:57

balance of \$10 million uh this is to set aside money for the near and long-term

1:42:04

facility costs that became readily apparent with the closure of City Hall and so of these 20 funds the the

1:42:11

highlighted funds here make up the primary financial support of the capital Improvement program and so they include

1:42:18

certain revenues that are restricted for specific uses again that's based on either state law or or prior Council

1:42:26

action okay I'd like to invite Jesse to help set the stage for the good work that is being proposed in the capital

1:42:33

Improvement program all right next slide please Council I recognize and talking

1:42:39

with all of you that it's important before we look forward to look back and celebrate the work that has been

1:42:46

accomplished um let me turn this off here in the capital Improvement program you know we have

1:42:54

we don't have a tool or a a program that gathers all this data

1:43:01

together and and and puts it into infographics so uh Amilia chayen who

1:43:06

you've met previously has been working with our CIP team to to take that look back over the past six years uh to

1:43:14

quantify some of what we've done and I think you're going to be pretty surprised at these infographics I will caveat they're still they're still in

1:43:21

development I believe we've captured all of the capital projects um but there's some additional data we need to add to

1:43:26

these figures before we publish them so here's your preview uh next slide

1:43:32

looking back on the water system over the last six years uh We've invested almost \$21

1:43:38

million that included 177,000 linear feet of water M installed uh I had no

1:43:44

idea that was the number until we went back and and did this work uh you also know we in uh constructed a new booster

1:43:52

chlorination uh system station uh that was a product of the boil water advisory over 10 years

1:44:00

ago we've been connecting households to water as well and more recently we've

1:44:05

installed 7200 water meters uh with the new Ami system uh

1:44:11

preparing to go live in the next year uh the next slide please over that same six-year Horizon

1:44:18

we looked back on our transportation Network streets pedestrian and B ccle facilities and I'm pleased to report

1:44:25

that we invested almost 13 million uh in a variety of projects ranging from uh

1:44:31

resurfacing roads pedestrian improvements uh we're right now working pretty intensely in the Town Center on

1:44:37

Ada curb ramps uh and additional improvements to biking

1:44:42

infrastructure next slide please uh the sewer system 3.3 million

1:44:48

invested over the last six years again really remarkable when we look at the amount of linear feet of infrastructure

1:44:57

we've been improving and replacing uh over 16,000 feet of rehabilitated sewer

1:45:03

remain in that six-year period uh manhole covers you may not realize this or maybe you do uh they get they go bad

1:45:09

and they go wonky and we have to replace them uh during that time frame we've replaced 140 we've been doing major

1:45:17

repairs uh at at Pump Station we have more work on the horizon uh and we've

1:45:22

also done five major sewer system assessments uh storm water uh the next

1:45:28

slide is about 1.6 million again 4,700 linear feet of storm water pipe

1:45:34

installed 85 new catch basins and 2200 linear feet of water cor stabilization

1:45:42

these numbers are absolutely striking over the last six years and I can tell you that uh looking ahead we're ramping

1:45:48

up even more uh we don't yet have the data on facilities and Parks but I think

1:45:53

um when we do you'll see the same the same Trend uh Council I'm really proud

1:45:59

of of your leadership and the staff work to accomplish uh this really remarkable

1:46:05

Suite of capital projects uh and certainly excited to look ahead so the

1:46:10

rest of this presentation is going to focus on just that uh the look ahead and I will turn it back to

1:46:17

Matt thanks Jesse so as a reminder Council the CIP is is a six-year

1:46:24

financial plan that the staff team develops every two years to acquire expand or rehabilitate land technology

1:46:32

uh or public buildings and other major public infrastructure as mentioned earlier the

1:46:38

CIP has a six-year planning Horizon with emphasis on the initial two years which is when city council appropriate City

1:46:46

resources to complete projects over the next bium and so even though the CIP is

1:46:52

Revisited every two years the plan is informed by um erosion issues as they

1:46:57

arise observations from the staff teams that are in the field and the city's long range plans for maintaining

1:47:03

critical infrastructure so these plans include the pros plan the water system plan and the transportation Improvement

1:47:10

program that was adopted by uh Council this past June to name a

1:47:15

few I just want to note a few changes that staff is proposing in the current CIP that differ from the tip that the

1:47:23

city council adopted in June and so the changes are minor but there essentially shifted sidewalk improvements that will

1:47:30

be next to uh mercerdale Park to coincide with the capital Improvement

1:47:36

Project work that's being proposed in that Park between 2026 and 2028 um so there's some economies that

1:47:43

scale there the street improvements on North Mercer way and East Mercer way

1:47:49

were also shifted out um to better align with staff and financial resources and the

1:47:56

street overlay for Gallagher Hill Road was pushed back uh to align with the new

1:48:01

watermain transmission lines project which the council is going to discuss later

1:48:06

tonight back to the CIP and as I mentioned earlier the the primary revenues that are restricted to

1:48:13

supporting Capital Improvements so this table is from the preliminary budget and it provides a just a helpful rubric of

1:48:20

the different revenues that fund the capital program and and the kinds of improvements they fund so for example

1:48:26

the the parks Levy that was renewed in November 2022 can only be used on items

1:48:32

listed in the levy which include maintenance and operations of parks and Open Spaces playground Replacements and

1:48:39

Forest restoration utility rates uh and the revenues that we receive from providing

1:48:45

utilities can only be used for each respective utility and for the next bium

1:48:51

the city's secured millions in Grants uh that will be

1:48:56

invested in city parks and pedestrians facilities over the next few

1:49:02

years in the preliminary CIP staff is proposing a total of 106 projects to

1:49:09

receive funding over the next two years we're going to go into more detail shortly but this pie chart lays out the

1:49:16

different funding sources that are going to support that program you'll likely notice that the

1:49:23

the sewer and the water fund uh make up the bottom half of this pie chart and so

1:49:30

overall a total of 70.6 million in Capital Improvements are being proposed

1:49:35

over the next two years getting a little bit more granular here when we discuss the kinds of

1:49:41

Investments that are proposed in the CIP we divide these projects into eight

1:49:47

different categories which are listed here on this slide across all eight project

1:49:53

categories a total of 34 million is being proposed in 2025 and 36.6 million

1:50:00

in 20126 it's important to note that these figures do not include the planning the

1:50:06

the design and engineering and the eventual construction of the public safety and maintenance

1:50:12

building the pie chart a few slides back alluded to this but most of the

1:50:17

expenditures tie to the water system the sewer conveyance system and and parks and opens

1:50:24

spaces so this table separates out these three categories in the top three rows

1:50:30

from the remainder of the capital program uh with the resulting total budget and the number of projects funded

1:50:36

both for 2025 in 2026 and so these project categories include some of the

1:50:43

the C's highest priorities and the bulk of the work in the C not only for the next two years but also um where staff

1:50:50

has been uh focused on on and is currently seeing through significant Project

1:50:56

work earlier Jesse explained that the preliminary budget is is built upon the

1:51:03

progress made over prior Bania and this slide attempts to further this point so

1:51:09

since 2021 investments in the capital Improvement program are projected to

1:51:14

significantly increase by the end of 2026 so this graph illustrates

1:51:20

expenditure actuals from 202 through 2023 the forecasted uh expenditures in

1:51:27

for 2024 and the preliminary budget that's being proposed for the capital program

1:51:33

for 2025 and 2026 and so uh the bars are separated into different categories

1:51:39

we've been discussing water parks in open space sewer and the other Capital

1:51:45

Project work investments in the water system are projected to increase 460 by the end of

1:51:51

2026 compared to 2021 levels staff also

1:51:56

anticipates this level investment for the sewer conveyance system over the same period
the level of

1:52:03

investment in the the community's parks and Open Spaces is projected to increase nearly

1:52:08

sixfold so again these are preliminary figures and they do not include the costs associated
with the public safety

1:52:15

and maintenance building given that it is in the early uh design phase but eventually this is
going to become a

1:52:21

major project in the capital Improvement program just a final Point here to see

1:52:27

through this amount of of capital investment the city will fully spend down fund balances in
the corresponding

1:52:34

Capital funds while also aggressively pursue outside funding via grants uh

1:52:39

state and federal low interest interest loans and uh the potential sale of limited tax General
obligation

1:52:48

bonds okay with that I'd like to hand it over to uh Jason kitner to add some color for where
work is headed in the

1:52:56

next two years good evening Council Jason K chief of operations uh we'll

1:53:03

focus we'll talk about a number of different projects and focus areas uh this evening um we have a number of

1:53:10

project managers in the background as well if there are specific questions over specific projects but I'm going to take a few minutes to just focus on a

1:53:17

few highlevel elements uh with sort of within each division of our Capital improvment program

1:53:23

as was noted earlier we are making once in a generational lifetime reinvestments in our infrastructure and particular

1:53:30

really the water utility um Jesse referenced the 2014 water advisory uh bo

1:53:35

water advisory that took place I will say since the 2014 boil water advisory the city the city council and the

1:53:41

community have taken a broader more diverse approach to our Capital reinvestment strategies on the water

1:53:47

side um what used to be predominantly focused on hydrants and subst water main

1:53:53

Replacements has Diversified into booster coordination stations uh expansion of um poent

1:54:00

potential expansion uh of the emergency Wells uh looking at restoration of the reservoir facilities um adding a new AC

1:54:08

Pro AC main replacement program as well as the prv replacement program um so

1:54:13

these are these are major major initiatives that are critical to our water utility and distribution system

1:54:19

and critical And Timely and needed to be done timely to make sure that uh our water system is replaced uh before we

1:54:27

actually reach that failure point so uh as noted here the reinvestment in the

1:54:32

water utility is staggered um and accelerated and relative to the prior years um other the under the proposed

1:54:39

projects uh eight are in design and 11 will be in construction over the next two years a reminder to the council that

1:54:46

um the project team they although we focus on the two-year budget by anym we are constantly looking in 6 10 15 20

1:54:53

year increments for Capital reinvestment strategies um and in particular um you

1:55:00

know on as two projects identified here the prvs there's 85 prvs pressure

1:55:05

reducing valves prvs uh within our distribution system and we are prioritizing the the first 20 or the

1:55:12

most critical 20 to be replaced uh first and foremost um in addition an additional

1:55:19

Capital project that was added during the last budget by Anum was the replacement and exped Expediting a

1:55:25

replacement of our AC or aestus cement pipe within our distribution system this

1:55:31

pipe in particular is known to catastrophically fail um and has been problematic to increase the number of

1:55:37

claims and water outages throughout our distribution system so these are two two

1:55:42

key projects that have actually started during the last B budget bium and are continuing into actual construction and

1:55:48

again design a construction phase uh for the next uh two to six years as

1:55:54

well finally I'll just note the as we hear shortly we have a a larger project

1:56:01

that Jesse alluded to earlier and that is our long-term water uh infrastructure response or an alternative transmission

1:56:07

line uh that's part of ab 6530 that I'll talk about in just a little

1:56:13

bit on the park side uh again no surprise here our parks are are are

1:56:19

treasured spaces on the island and this community cherishes them deeply uh Luther Bank Park has been the focus for

1:56:25

many many years and I'm happy to report that our Waterfront project is uh nearing the actual construction phase

1:56:33

well it's partially in construction but uh the docks the floating docks the dock replacement is actually uh upon us and

1:56:40

we anticipate that this will be completed by 2026 this project includes over \$7 million in park improvements but

1:56:47

uh I think it's important to note that 3.5 million of that 7 mil is Grant

1:56:52

funded so a lot of the work on the parks Capital side includes uh going after Grant acquisition and grant grant

1:56:59

opportunities for these types of projects and our project team has been working for years to make sure that we

1:57:04

are working through the permitting uh challenges and design challenges associated with this type of project

1:57:10

that includes replacement of the South Pier those floating docks uh new Shoreland access um improving the access

1:57:18

for um hand watercraft for paddle boards renov that Plaza area with a new restroom amenities and then adding an

1:57:25

outdoor classroom uh it's going to be an absolutely fantastic location and area once completed and then have report that

1:57:31

it's near completion anticipated by the end of 2026 next

1:57:38

slide another key component on the Parks and Recreation side of the house is the replacement of our playgrounds uh as

1:57:44

council's remember with the community passed uh the levy to replace 15 playgrounds over the life of the levy uh

1:57:51

and the first playground the Ron o playground Dean Children's Park and Aubrey Davis lid area a are all up for

1:57:59

replacement I'm happy to report that first till and r Oak are uh nearing construction phases and should be under

1:58:05

construction in the early spring uh we will be ramping up the public engagement and comprehensive elevation of uh the

1:58:12

dean children's park space that we anticipate will broaden Beyond just the playground would include perhaps uh the

1:58:18

picnic shelter the restroom area and the facility asy facilities around that playground space uh and then we

1:58:25

anticipate the alavus lid a park to be in the design phase uh in the second year of the baym followed by

1:58:31

Construction in 2027 uh these are important projects to the community uh I will say it's taken a

1:58:37

little time to get off off the ground but that is uh to make sure that we are diversifying our playground equipment

1:58:43

we're adding additional steps along the way with our public engagement and making sure that we are installing

1:58:49

playgrounds that are more accessible and inclusive for our community also tied to that Levy work uh is the

1:58:55

restoration work in Pioneer Park in the anram open space uh with our expansion

1:59:01

of our three-year weed removal program where we do a lot of comprehensive weed removal in year one followed by the

1:59:07

eradication and and maintaining those new spaces years twos and three to really enhance the vegetation and the

1:59:14

native trees uh in these open space

1:59:19

areas next slide on the sewer utility as Matt referenced earlier the general

1:59:24

sewer plan is our guiding document for the sewer utility much like we have those planning documents on on the storm

1:59:31

water water and park side um on the sewer side the general sewer plan um has

1:59:36

really driven our replacement program for the capital work um of the 9 million

1:59:41

proposed for reinvestment 5.4 million of that proposed the next the next Capital

1:59:47

program is tied to the sewer pump stations Council will recall that there 17 sewer pump stations that uh pump our

1:59:55

sewage around the island into the King County treatment facility um and these

2:00:00

are often in unique and challenging locations near the shoreline uh typically with limited space uh and

2:00:08

complex could be could at times be complex perming challenges associated with it um the repairs could be

2:00:15

structural they could also be mechanical and electrical it depends based off the pump stations and U what we done along

2:00:22

the way is to do a comprehensive assessment of those pump stations to prioritize the most critical ones first

2:00:27

and foremost I'll say on the sewer side uh both on the sewer and the water side a

2:00:33

key reinvest Capital reinvestment that's taken place for the last couple years has been our skada or a supervisor

2:00:39

supervisory control and data acquisition system replacement this is our alarm and monitoring system both in the water and

2:00:45

sewer side of the house in particular interest to the Sewer utility this system replacement which is wrapping up

2:00:52

construction uh is vital to the understanding of the flows the inflows and out flows of the sewage that comes

2:01:00

into our pump stations that we can prioritize those Replacements accordingly and right size um the fit

2:01:07

for those specific pump stations so again uh it's taking some time to get to where you're at but we are looking at a

2:01:13

proactive long-term approach to ensuring the safe reliable operation of our infrastructure

2:01:22

so that that's just a highlight of the few of the capital programs that we're focusing on the next two years uh two to

2:01:29

six years um our staff team is here to help answer specific questions but I think it's important to note that um our

2:01:35

team works really hard to find tune this Capital program to rightsize it for the

2:01:41

available resources both internal and external to get the work done uh I think a big as you've seen previously on

2:01:47

previous slides we've had a big push to get a lot of this Capital work done and we've been successful in doing that and we're not we're not going to put

2:01:53

projects out in front of you that we can't accomplish uh and that we don't the staff team don't feel our important

2:01:58

needs to uh the INF infrastructure reinvestment so um we value the input

2:02:05

from the city council and the community and our staff is uh poised to make those once in a generation level Investments

2:02:12

uh in our systems so just a quick reminder on the

2:02:18

next steps we're here uh this evening on October 15th uh the finance team will back in front

2:02:23

of you talking about the r forecast uh we tended to have a budget Workshop scheduled for November 4th if needed uh

2:02:31

we anticipate any changes will be incorporated by November 19th into that preliminary budget where we will also

2:02:38

propose adopting the property tax levies in 2025 um and norcom services and then we

2:02:44

will look to the council to hopefully adopt the uh budget in 2025 with the

2:02:50

master fee schedule and the final Bal

2:02:56

budget that will open up for questions I will make one final note on the Utility side of the house the uh preliminary

2:03:04

rates tied to this capital reinvestment and operational reinvestment have been presented to the utility board at the

2:03:10

September meeting and will be continued uh next week at the October utility board meeting as well just uh remind the

2:03:17

council that that sounding board is there to provide that recommended action uh part of that Master Fee schedule with

2:03:23

that we'll turn back to the council okay thank you for that presentation and I I want to quickly

2:03:30

just call out the grants that you talked about for Luther Burbank the three and a half million I want to make sure that we

2:03:37

thank Senator Wellman representative sen council member balduchi they all worked

2:03:43

with Jesse Bond and her team through the legislative sessions with Deputy Mayor and myself uh for those funding asks and

2:03:50

we were lucky to get those and we appreciate that they were able to provide those funds for us and so

2:03:56

Council I'll open it up to questions amendments if anybody has uh motions that they want to make about CIP changes

2:04:02

now would be the time and I'll look for hands Deputy Mayor rosenal yeah I just want to say real quick I uh when Jesse

2:04:10

came to the podium I knew it was some serious business but uh you

2:04:17

know I think there's a lot to say here about the incredible work that the staff has done through a lot of these

2:04:22

challenges to to sort of give a little color a lot of those phone calls that that Jesse alluded to are they do happen

2:04:29

um and they sort of tend to go in a normal progression which is say here's what's going on uh here's our Quick Fix

2:04:37

uh you know here's sort we we think is a short-term stability and then where I think the staff really deserves a lot of

2:04:42

credit is the next piece of that is always you know hey here's what we think a long-term solution looks like and and

2:04:49

I think that's where a lot of the credit goes because it'd be very easy to leave that part out and say hey here's a

2:04:54

bandaid we're going to put on this and you know we'll kind of Ki this down the road um but I think what I've been

2:04:59

really impressed with the last few years has been the ability to think longterm think outside of the box and think about

2:05:06

uh you know the these sort of generational improvements so we're not just making a bandaid every couple of years uh it's it's hard work I mean I I

2:05:14

I've learned a lot more about water treatment than I thought I would ever know um but it goes into a lot of uh you

2:05:21

know I think people turn their turn their uh hose on turn their faucet on and expect clean water to come out and

2:05:27

it's not so easy uh so I just I I do want to I appreciate the comments that

2:05:32

we got about the leadership the council's offered but I think a lot of that goes to the staff who's done an

2:05:38

incredible job of having vision and giving us good options as to how we can uh really build these once in a

2:05:44

generation Investments for the future well said CC Weinberg yes so I

2:05:50

wanted a second uh uh deputy mayor uh Rosen bomb's comments about uh the

2:05:56

thoroughness uh of the uh budget and the longterm thinking in the budget this is

2:06:01

where every two years it all comes together and we think about uh how we doing and where are we going and what do

2:06:08

we need to do uh to best serve the residents of Mercer Island uh and uh my

2:06:13

so my compliments on the uh on the the budget and all the work that's gone into it um I I did want to uh focus in on Pro

2:06:21

in particular on the uh level of investment in our water system uh that

2:06:26

we not only have been doing but are thinking about doing uh and the the scale of what we're looking at here uh

2:06:34

as most people in the room know uh most of the city's water infrastructure was built in the two decades following the

2:06:40

opening of The First Floating Bridge 84 years ago and as such those pipes and uh

2:06:45

pressure reducing valves and other system components are all reaching their end of useful life uh and starting to

2:06:51

fail at the same time or they were starting to fail at the same time uh and we've been averaging uh for years now

2:06:59

about 10 or 12 water made uh breaks a year there was 13 of them in 2022 and 15 in 2023 there's only been four so far in

2:07:07

this year um so we are starting to have an impact with this uh heightened uh

2:07:12

investment they're putting in here um and in the last biannual budget we had

2:07:17

set aside 26 million uh for the 4-year period period uh of 2025 through 2028 uh

2:07:24

for the water budget in our discussions over the last couple of years uh the matter of uh uh of the uh uh greater

2:07:34

investment in our water infrastructure uh I've I and other members of the

2:07:39

council have expressed uh desire for uh a budget that would get us ahead of that curve of uh of the uh entropy

2:07:48

essentially it's uh of the Aging system and uh that is we wanted a budget that would

2:07:53

enable us to replace uh the Aging water infrastructure faster and uh enabling us to replace pipes and valves as uh uh

2:08:02

director kintner was pointing out before they fail uh and thus reducing the number of water main brakes uh per year

2:08:09

that the community experiences now I feel very confident that the proposed Bal budget in front of us tonight will

2:08:16

accomplish that goal even before the addition of the proposed Gallagher Hill

2:08:21

water main project which I fully support by the way uh in the next four years uh

2:08:27

of the water Capital Improvements from I was mentioning a moment ago that uh used to be the the last Bal budget we said it

2:08:33

was 26 million it's now 38 uh million so that's you know 46 percent increase uh

2:08:40

compared to what we had before and that's using as uh Dr mck was pointing out existing balances and grants and low

2:08:47

interest uh State loans and also by uh having the option of uh selling uh ltgo

2:08:54

bonds uh and the plan equitably uh if we use bonds equitably spreads the cost uh

2:09:00

over future generations of the people who are going to benefit from this reinvestment so this is all excellent

2:09:06

work I do have one question um and that is uh about the timeline for replacing

2:09:12

the last of the asbestos concrete pipes in the ground I'm noticing that in our

2:09:17

current uh CIP plan uh that uh the AC pipe replacement projects are

2:09:24

going out into 2030 uh and uh I believe I'd seen the

2:09:30

number in previous uh cips or previous years uh that we were targeting having

2:09:35

the last AC pipe out of the ground uh or at least abandoned uh in 2027 uh was the timeline of this

2:09:43

impacted by the emergency events this year or by other uh conscious choices

2:09:48

that we made in forming the the currency IP

2:09:54

plan Council wber um it is I don't know if I would call it directly tied to

2:10:01

inclusion of the alternative transmission line I think it's a combination of Staff looking at uh the

2:10:08

work plan the schedule the overall schedule the rest of the capital projects identified in the capital plan

2:10:16

I will tell you one one thing to note has been on the staff side has been

2:10:22

typically our construction schedule is designing year one constructing year two and that's been that's been pretty

2:10:27

consistent for many many years I will say um on some specific projects there has been a little bit slightly longer

2:10:34

lead time for the design conclusion of the design where maybe takes a year year and a half rather than than that first

2:10:40

year uh and so I think it it more closely aligns with just the resources the timing the resources um rather than

2:10:47

the actual inclusion of additional projects um it's just it's just a matter of balancing the the schedule out with

2:10:53

our available engineers and project managers and available resources that we have okay and it's my understanding that

2:11:00

for uh tonight that you were looking for any uh changes that we might want to

2:11:06

that the council might want to propos to the CIP is that correct that's correct make a motion and we'll have a vote on

2:11:12

it and they will bring back that that to the council so I I would like to make a

2:11:17

motion along those lines I I move that we direct the city manager to come back on October

2:11:27

15th with an assessment of what budgetary

2:11:32

options we might consider for removing the

2:11:39

last of the AC pipes prior to

2:11:46

2030 let me know if You' like me to repeat part of that I think I'm good Council member thank you okay second

2:11:53

that second it by council member Reynolds council member I guess uh I

2:11:59

realized that the plan that's been put before us uh you uh promised that you

2:12:04

you mentioned that you uh only put before us a plan that you know you can deliver uh and I respect that um and so

2:12:11

if there is a need for uh an additional headcount or for additional uh

2:12:17

appropriation of budget or something from that the council can't help with uh in order to accomplish uh serving uh a

2:12:26

uh s an earlier arrival date of uh that last AC pipe being abandoned uh we'd

2:12:32

like to at least know what those options are um and that's essentially the reason for the motion okay thank you we're

2:12:38

going to still go to questions and I have Council M Jacobson my concern about the motion is

2:12:46

not knowing what uh kind of

2:12:51

sandwich besze the sandwich we're going to bite I'm not and uh I'm not prepared

2:12:57

to vote for the motion uh not because I don't think it should be cons we should

2:13:02

consider accelerating that but what impact that acceleration would have on

2:13:08

uh the budget overall or and also uh what items of the CIP are going to get

2:13:14

rearranged if necessary because I I uh I'm all for the idea of replacing the uh

2:13:22

uh CA pight but uh not knowing where the you know what ripples are going to come

2:13:27

in that pond I have a hard time voting for this motion okay you had your hand up before the motion was there anything

2:13:33

else that was on your mind uh yeah actually there is that that is I'm not clear on what we're talking

2:13:40

about about shwood and that is are we going to we talk about replacing the existing supply line to Sherwood or are

2:13:46

we talking about something more council I don't understand why we want to take on any more responsibility

2:13:53

for surewood than we already have yeah council member Jacobson I think we'll pick up uh that conversation in detail

2:13:59

with the next agenda item if you'd like to hold that comment and

2:14:05

thought okay thank you council member

2:14:11

andol um yeah thanks I my question or response

2:14:17

to the motion is just to give Jesse a minute to respond the motion directs the

2:14:24

city manager to do something with regard to a schedule for removal of the as bestus concrete pipe um I would like her

2:14:31

to address whether that is feasible accomplishable how it uh might shift

2:14:37

other other items in priority before I could decide whether to support it or

2:14:43

not sure um I generally support the motion and I think the way that I would

2:14:50

approach it coming back to you on the 15th is actually not to rearrange the work in the next
biennium but to look two

2:14:57

years out past that um and then think about funding and resources I I am

2:15:07

concerned I I think I say this every time we have a budget conversation uh we are really
loaded up in the next two

2:15:13

years and your Capital program it it does not just live within your public

2:15:18

works department anymore it has absolutely spilled outside of that department because
of the volume of work

2:15:23

that we are undertaking I can tell you in the city manager's office we're spending at least
half of our time

2:15:29

individually supporting capital projects uh finance department same thing so

2:15:36

adding adding more accelerating project and and um you know kind of moving projects
around in the next biennium is

2:15:42

probably not wise especially considering the lift that went into balancing the budget for the
next two years um but

2:15:48

that doesn't mean we can't look at that that next iteration and start talking about sequencing and additional funding

2:15:56

uh that that is something we that that we could do so um I'm happy to to have

2:16:02

that conversation the AC uh pipe is you know the bane of our existence so we

2:16:08

support uh uh definitely support as staff the idea and the vision to try to

2:16:15

get that out of the ground as soon as we possibly can I think I said Jason nodding a moment ago so we'd be happy to

2:16:21

come back and at least preliminary look at those take a look at those out

2:16:26

years okay thanks that helps a lot okay thank you Council mayor wer yeah I just

2:16:32

want to be clear this feels awfully late to be having something new added to the CIP so I would be supportive if it

2:16:38

didn't have a huge impact on the workload now and certainly the budget and everything that's been set up to cue

2:16:44

this up to get it done by December uh so with that I just want to thank Matt a few years ago for having the foresight

2:16:49

of U making the budget so easy and clear to understand with our financial plan and policies and

2:16:55

procedures and funding the critical stuff first and being clear about where we put surpluses if any so uh and fully

2:17:02

appreciate the infographics on where we've been so we can fully understand where we're going so appreciate the idea Ted I'm not sure I'm supportive I'd

2:17:08

rather see it as part of the regular Cadence of putting the budget together so um if it's very vague and not binding

2:17:15

to city or rearranging the CIP I could be supportive but right now I'm not super supportive given the late hour and

2:17:21

timing of of your proposal thank you all right Deputy Mayor rosom Ted I might

2:17:26

have missed this but was is there there's been a lot of emails the last 24 hours on some of these topics and our

2:17:32

book is pretty lengthy is there is there a map or somewhere of a schedule that

2:17:38

already exists in terms of when this is scheduled of be yeah yeah so it's uh

2:17:43

it's in here a I know there's a lot of projects AC replacement projects in here but I'm not if someone could Point me if

2:17:50

there's a an islandwide map or something that yeah so it's uh in section e um between

2:18:00

uh I guess on page E7 uh there's the a fold out that has

2:18:06

the the last section I guess it's on page E8 and E9 is where it lists all of

2:18:12

the water projects uh for between now and 2030 I think he was asking for a map oh

2:18:20

a map of where they are I'm trying to get a sense of you know what percent with their current schedule what percentage do we get to

2:18:26

versus you know for for the amendment you're proposing how much further do we have to go I did not see one map that or

2:18:33

one graphic that shows a map for the entire uh City although between uh Pages

2:18:39

uh E11 and uh E1 169 there's a map for each individual project

2:18:47

yeah Jason I believe we have a GIS map somewhere yeah I was looking I was

2:18:53

trying to scroll at the same time we have we have if it's not in the agenda book with the map for the locations of

2:19:00

these pipes we have one available that I can send following the meeting yeah so the ones that are in here I think are the ones that are planned in the next

2:19:06

they're in the plan but what not what has already been completed so I'm just curious what if you sort of couple what

2:19:12

what you've got in the book Now versus what we've done in the last couple years what percentage do that get us to and sort of how far do we have to

2:19:18

go uh so okay so I the goal is to have all of the AC pipe eliminated by 2030 uh

2:19:25

the original intent was to have the first batch part of so basically identified one one project per bium uh

2:19:32

was sort of the original road map I we'll say the first section of AC pipe

2:19:37

that was scheduled to be replaced um coincidentally is the section of AC pipe that runs parallel to the spu

2:19:44

transmission line that failed this year uh and so given the emergency work that's taken place we had to do some

2:19:51

additional design work and that construction was slightly delayed it's still still on schedule but slightly

2:19:57

delayed so um if you want to think about it in sort of twoyear increments the

2:20:02

first the first section of the construction schedule uh is is happening

2:20:08

call it now and then it's going to happen over the course of the next uh every two years until 2030 was the plan

2:20:14

was the road original road map so we can we can certainly show you a map of hey here's all the AC pipe that we had and

2:20:21

then we can color code it based off the years and and come back and send that to the council separately we we can certainly do that pretty

2:20:28

easily I'm interested in that I don't know if that needs to be a friendly Amendment but if there's a way to see

2:20:33

that love to see that okay you're just looking for a copy that the schedule and

2:20:39

the map yeah both y we'll follow up with that all right council member Reynolds I just want to note I I heard

2:20:46

from my fellow council members a couple of comments the fact out that they were worried this is a late and the game

2:20:51

changed they're reluctant to support it not knowing what might be impacted uh they were worried about tying the the

2:20:58

hands of the public works department but as I understood uh council member weinberg's motion he's not asking us to

2:21:05

do this he's asking the city manager to come up with a proposal for how we might do this and then we would presumably

2:21:11

have a chance to vote on it at the next meeting so I I don't think this is premature at all and yes we might

2:21:17

conclude after getting that information that it's an inappropriate project under take but let's take the time and get the

2:21:23

information so we can make that decision that's all we're asking for

2:21:28

tonight okay I don't know if these are old hands or new hands but I'm just going to keep going to council Mar

2:21:35

Jacobson yes I respectfully suggest that uh we uh for the that council member

2:21:42

Weinberg simply defer the consideration this motion until our next meeting so that the additional information which is

2:21:48

uh forthcoming can be the uh uh assembled by the staff and and sent to us so that we can make an intelligent

2:21:55

decision once and for all on the 15th and not leave this thing in a state of

2:22:02

in my mind suspended animation and I think we'd all be better off a better use of our time and the staff's time if

2:22:07

we did that and probably a better quicker result okay I I'm going to chime in just

2:22:13

to go for have a chance to comment on this I think it's a great idea I I think it's not a new idea I think if the

2:22:19

council has had this as a prior for quite a long time in public works has been out there looking for every opportunity possible uh to abandon and

2:22:26

replace these pipes with modern equivalence I would suggest the council that instead of doing something like

2:22:32

this that we just make it a council priority when we next update the council priorities to accelerate at every

2:22:39

opportunity the replacement of these AC pipes and any other priorities that the council would like to put in because as

2:22:45

we know with the public works and the CIP these projects move around and they have dependencies and

2:22:51

accelerating one component like all AC pipe doesn't necessarily align with the

2:22:56

the other work that is being done that makes this cheaper safer quicker uh and

2:23:01

so I'm not going to vote for the motion but I do support the intent and I think that the council priorities is the place

2:23:07

to put it so I'll just leave it that Council May Weber yeah I uh regarding uh

2:23:14

the suggestion from council member Jacobson um I am open to us uh having

2:23:19

the discussion on the 15th if it is more convenient for staff uh to have the discussion on that date I think the uh

2:23:26

when I had asked earlier uh is the is tonight the night to get any changes in

2:23:32

for uh the CIP and I got a yes response to that so that's why I made the motion tonight well I wouldn't feel bad about

2:23:38

making the motion this is the this is the time no I I get I know but he was saying that he might support it if we do it on do it on the 15th uh I guess I'm

2:23:45

trying to get a feel for is it better to do it now or on the 15th um

2:23:51

what whatever would lead us to a better chance of getting the AC pipes out uh sooner so you to make it a motion so you

2:23:58

can you know if you want to ask the city manager to bring the information that would help support the decision and

2:24:04

table the motion till then you could do that well I guess a question then for the city manager would you prefer to

2:24:10

have this motion made on the 15th as opposed to uh uh this evening uh actually let's do this um I

2:24:18

think it would be appropriate for you to withdraw your motion uh the request for more information about the program is

2:24:24

well within the scope of what we're doing right now on the budget I'd like to come back to you uh first of all with

2:24:29

a map of uh where the remaining AC pipe exists uh and the schedule for replacement and give us a little time to

2:24:36

share some thoughts on how we may or may not be able to accelerate that work what that would look like I'm still going to

2:24:43

dig my heels in and say I'm unlikely to recommend reshuffling the next two years it doesn't mean we can't accelerate in

2:24:50

the out years um if that's suitable to council we'd be happy to put that on our list of follow-up items uh and then I

2:24:56

will remind you next next meeting you're going to be looking at your work plan and so to Mayor n's Point uh there's

2:25:03

probably an opportunity to to take a look at your goals uh maybe even incorporate uh something into our work

2:25:10

plans as well just to keep keep this front in Center for all of us so if I'm understanding what you're saying you're

2:25:16

suggesting that we would withdraw the motion but that uh we would still have staff come back to us with some

2:25:22

ideas as to when we might approach this either in the next bium or the one afterwards but still providing us with

2:25:29

some options to consider we would be happy to do that um I think rather than

2:25:34

spitballing it tonight that'll give us a chance to to to share share our thoughts and where where to plug this in what

2:25:40

motion might be needed to change the work plan or goal and yeah get the

2:25:46

timeline that you're thinking of uh having some of those options to discuss on the 15th are you thinking after the

2:25:52

budget process is over having that discussion like in q1 of next year I will not be able by the 15th to bake the

2:25:58

cake but I can tell you where that work might lie and how we might pursue it in

2:26:04

the next two years so I think we need to put this I'm going to suggest this goes into the work

2:26:09

plan as something U if there's Council support um but again we we're probably

2:26:14

doing a little bit of sausage making here so I I think Jason and I are nodding our heads we're hearing what

2:26:19

they requested give us a chance to follow up on the 15th and then the council can decide what action they may

2:26:24

want to take then okay I if it's all right with the person in second of the motion I'm happy to withdraw it then Council M Reynolds

2:26:32

I'm I'm I'm a little reluctant because it sounds like what we're doing is withdrawing the motion so that the city manager can do what motion asked the

2:26:39

city manager to do which was to come back with information on the 15th uh but I'll I'll

2:26:45

yield to council member Weinberg if that's what he wants to do I think we're giving her more time than that right so I I think we what I heard Jesse

2:26:52

mentioned a moment ago is that we wouldn't be able to bake the cake by the 15th I won't be able to bake the cake before the end of the year to tell you

2:26:58

how we accelerate the work but what I'm telling you is this is your moment to identify work plan items uh so if that

2:27:05

is something that you want to see happen in the next bayum I think this should actually go in the work plan okay but

2:27:10

you've asked some questions tonight several of you about timeline Maps

2:27:16

that's part of what the budget process is we're happy to bring that information back U we can follow up on this item on the 15th okay and the 15th is when we

2:27:23

were going to be actually talking about the work plan items then that's correct 15th is your operating budget your work

2:27:29

plan and your revenue forecast okay so yeah I'm uh still open

2:27:35

to withdrawing the motion if the person that second it is also open to a drawing he's deferred to you so yeah no with

2:27:41

draw okay city clerk please note that the motion has been withdrawn got it thank you Mr Mayor okay any other

2:27:47

amendments to the CIP okay we're going to close this out

2:27:54

anything I want to just throw a bone to our finance director Matt mck because you know there was a lot of Legacy talk

2:28:01

about once in the generational infrastructure and putting in pipes and water reservoirs and pressure reducing

2:28:07

vales and no mention of the Erp this is going to be the Legacy that Matt has within the organization of ripping and

2:28:14

replacing decades old deprecated software and replacing it with modern Erp that's going to be reporting

2:28:21

dashboarding automation just a boon for the city do you do you want to make any

2:28:26

mention to that Matt council member Your Enthusiasm is infectuous I I hope uh we can all uh

2:28:34

toast to the completion of the eerp project I I have to be honest mayor n um

2:28:41

we have been all things budget for the past six weeks um but we have a core

2:28:46

member of our team core members of our team working tirelessly to uh lay the foundation to get this software

2:28:52

implemented it's just going to be an entirely new day um um we we can't wait

2:28:58

to um turn our attention fully to this work um we're going to be focusing on it through the rest of the year um with the

2:29:05

go live date um with core Financial components of the software uh going live

2:29:11

in mid January um and so uh there's going to be a heran effort to finish our

2:29:17

configuration and testing and then turning our attention to teaching all of our colleagues how to take advantage of

2:29:22

this new software so there's just uh it couldn't be more timely um I know that

2:29:29

uh there's shared enthusiasm among my colleagues and we're we're ready to get this work done and and start taking

2:29:35

advantage of this this uh long-term investment great well thanks for that update even though it wasn't wasn't

2:29:42

planned all right we're going to move on to our last item next item of regular

2:29:47

business uh which is the long-term water infrastructure response Alternatives and

2:29:53

we welcome back chief of operations Jason kitner good evening

2:29:58

Council think Alli is gonna share the deck and I got to make sure my screen

2:30:04

can see the deck as well there we

2:30:09

go perect again Jason kitner chief of operations here this evening and talk

2:30:15

about the long-term water infrastructure response and Alternatives I can tell you

2:30:20

Council uh when I took over as Public Works director back in 2015 I didn't think I would ever be talking to you

2:30:26

about a transmission line or replacing a transmission line and the city taking over ownership of it but here we are

2:30:32

this evening to talk about just that so uh I've got a slide deck about 10 or 11

2:30:37

slides uh here's the agenda on the screen to go over um the Seattle Public

2:30:43

Utility Supply a little background on the leak the timeline of events and activities that have led us to this

2:30:48

moment today today um a quick look at uh some alternative the alternative Supply

2:30:55

options we will uh touch base on the Shorewood apartments component of it uh

2:31:01

we'll provide a high level planning cost estimate again I remind the council this is only a planning level number this

2:31:07

evening it's nothing further than that uh and then talk about our next steps and uh a recommendation for Council

2:31:15

consideration so with that I think the council is very familiar with this map we've used it a handful of times uh on

2:31:22

the screen in front of you is uh the supply line from Seattle Public Utilities to the city of Mercer Island uh

2:31:29

just for reference the map illustrates uh some color codes the purple the purple lines are Seattle public utility

2:31:36

owned pipelines the blue is a city of Mercer Island owned Pipeline and then

2:31:41

the green is a private pipeline that supplies water to the Shorewood system um you'll hear me talk about different

2:31:48

reaches later on in the future slide so we're talking about two particular reaches reach three and reach four which

2:31:54

are specific to the Mercer Island and Seattle public utility wholesale contract um again reminder our water is

2:32:01

fed from Seattle Public Utilities predominantly from the Cedar River Watershed uh it comes across the bridge in that 16-in

2:32:08

purple pipe at the top of the screen there that's attached to the the bridge deck and uh enters into the city system

2:32:15

at the East Mercer boat ramp East Mercer Way boat ramp where you see that purple and blue pipe sort of combine and you've

2:32:23

got a 16 and a 24 that is because there's two parallel pipes there the 24in pipe is the purple pipe that is the

2:32:29

transmission line that feeds the reservoir facility um and that is our

2:32:35

primary water transmission line that provides water to the island it also provides water to the Shorewood

2:32:40

apartments uh shorewood is a direct customer of the Seattle Public Utilities

2:32:45

uh system and because of that the city and Seattle Public Utilities share

2:32:51

partial ownership and responsibility for that pipe um with just over 97% the

2:32:57

responsibility of the city in terms of cost ongoing costs maintenance costs and capital reinvestment costs with the

2:33:03

final 2% change being SE Public Utilities reach four uh is the section

2:33:09

that runs down 92nd that's a different section of pipe that enters into the reservoir facility um again that is 100%

2:33:16

Seattle Public Utilities owned infrastructure but the costs are born

2:33:21

100% to the city because that feeds directly to our distribution system

2:33:28

um I will just make note on that 24 inch line you see there there's a red star

2:33:35

that is where the April 3rd leak occurred uh along just in the open space along Southeast 40th so with that next

2:33:45

slide so diving a little deeper on April 3rd uh leak from seatt public utility's

2:33:51

concrete pipe at the top of a steep slope so you see here a map again that red star in the middle you have some

2:33:57

topographical lines on here so you can see the slope just for reference the purple line the solid purple line that's

2:34:03

running horizontally along the screen that's the Seattle public utility transmission line that's the 24 in line

2:34:09

uh and then the blue line just below it is the city's uh distribution line that

2:34:14

runs parallel um I referenced earlier the AC pipe piece there was a section of

2:34:19

this this pipe that was uh originally AC AC pipe that was scheduled for

2:34:25

replacement um during this response that pipe was uh abandoned closed off and the

2:34:32

city worked our staff worked closely to move some of the services over to a different line so that we can completely

2:34:38

abandon that pipe in that steep slope that's uh surrounded by not only the SC

2:34:43

public utility line but what's not shown on this map is two additional psse gas lines a high pressure gas line and a low

2:34:49

pressure gas line that run between that purple line and the blue line on this map again just for reference that spu

2:34:57

pipe line is a 24-in cast iron pipe uh installed in the mid-50s in Seattle

2:35:02

public utility was the owner of it on that April 20 that April 3rd date um due

2:35:09

to the concern of our catastrophic failure um and 7 to 8,000 gallons worth

2:35:16

of water gushing out of that pipe uh out of abundance of caution the city did evacuate 20 homes uh while that while

2:35:22

that pipe could be shut off and the city's pipe could be shut off and abandoned uh this event launched several

2:35:28

media actions and it's shown the city and our team that we need to look at some additional long-term Solutions and

2:35:33

actions which is while we are here this evening just additional note um and

2:35:39

we'll talk about this in the next slide here but uh ongoing Communications with those 20 homes that were evacuated has

2:35:45

been a key factor of this process um we have uh an engineer a Geotech engineer who is

2:35:52

installing a groundwater monitoring well and two inclinometers to monitor this slope instability of that Hillside uh

2:35:59

now that pipe has been restored that work is scheduled for uh later this week

2:36:04

um and those are the approx locations for uh those sites in this area as

2:36:10

well next slide so I apologize for the sort of the

2:36:15

business of this this slide but um as over course of 120-day emergency uh

2:36:21

there was a lot of work that took place uh behind the scenes and in the public the public facing side of the house as

2:36:26

well uh as we laid up the timeline to share with you we realized that uh there were several key parallel timelines uh

2:36:33

some of those those key categories have been and activities have been arranged on this timeline so you can see them uh

2:36:40

more broadly uh well presented top to bottom they're equally important between between them so first one leak occurred

2:36:47

we made the difficult decision again abund abundance of caution to evacuate those 20 homes uh as you can imagine uh

2:36:54

evacuating evacuating residents from the home creates high levels of anxiety and stress for those Comm members uh and

2:37:01

just pure concern over what uh what lies ahead and so there was immediate um

2:37:07

there was immediate need for communication ongoing communication with n of those proper owners but also uh the

2:37:13

broader community and so uh you can see that timeline of the different Community elements that took place from April to

2:37:20

September regarding those Communications uh this was a te a

2:37:25

technical and complex problem uh and our communication was key communication was key at every step of the way um the

2:37:32

timeline for repair became clearer uh we quickly realized the summer demands for our backup line that 16inch pipe that I

2:37:39

showed you earlier uh was going to be maxed out and we were going to exceed our demand threshold uh during the peak

2:37:46

summer months um and so communication the community to help conserve water was

2:37:51

essential to the overall success and making sure that we uh maintain our system operation throughout this

2:37:58

emergency in addition the implementation of the with our GS team to implement implement the visual visualization tool

2:38:06

to monitor our volumes within our Reservoir tanks uh was essential and a good communication tool that we found

2:38:12

successful um on as we look to the Blue Area uh

2:38:17

getting service restored was was was very very challenging uh as as you know uh our operational Crews as I noted had

2:38:24

to move service lines over to additional pipelines throughout this area um we had

2:38:29

to work with spu to create to come up with an Innovative solution that made sure that it met our contractual

2:38:35

obligations and operational needs for a water system um and that took a number

2:38:40

of individuals and engineering firms to confirm that that work uh would would be successful um happy report as we all

2:38:47

know we were able to turn the water back on in August and it was successful along the way I think it's important though

2:38:53

that with every emergency it's important to step back look at the broader picture and think about the future and how to make sure that we avoid these things in

2:39:00

the future uh and so as as we've done that the uh the green area starts to

2:39:06

focus on some of the work that uh the data is is showing that how we can learn

2:39:11

from the event and things that we can do to improve and possibly look at different supply lines or different

2:39:17

transmiss line uh that help alleviate the risk uh and concern over an

2:39:23

inaccessible pipe in a very tough geological area um and topical topographical area in the future so

2:39:30

that's why we're here this evening so with that our next slide so following that emergency uh our

2:39:37

team quickly looked at how to improve uh and construct an alternate supply line

2:39:44

uh we were looking to align ownership and control with city responsibility um again this is tied to the calary

2:39:50

investment discussion we talked about earlier which our generational investment and building resilience

2:39:55

resiliency and modernizing our system um to reduce the risk and improving just

2:40:01

the quality and safe delivery of water to our community as I noted there's

2:40:07

there's two reaches that are tied to this conversation so as you see on this map here reach three is where the city

2:40:14

is responsible for 97% in change of the overall costs each for is 100% costs

2:40:21

the the project the alignment the possible alignment of a new transmission line would abandon reach three which is

2:40:29

running from the East Mercer way uh boat launch to the top of essentially to the

2:40:34

top of Galler Hill and we would uh replace that transmission line with a new transmission line that runs along

2:40:41

Gallagher Hill and it's the green line you see here on the map um up gallager hill and then back to this same um point

2:40:48

at the top of at the top of the hill essentially reach four is would still technically be under

2:40:54

spu ownership um it's 100% the cost responsibility of the city um but

2:41:00

technically Seattle Public Utilities owns that Pipeline and so um we would have to look at whether not that pipe is

2:41:06

replaced or the city takes over ownership of that pipe in the future I think it's important to note that during

2:41:13

this emergency and the previous emergency that happened year pre year prior uh the city did Supply shwood the

2:41:20

shwood apartments with an emergency anner tie to supply water to that apartment complex and with a new

2:41:27

proposed alignment of a new transmission line uh shorewood's connection to the

2:41:34

distribution system the city's distribution system or as a direct customer of Seattle Public Utilities

2:41:39

would have to be negotiated and worked out as part of the wholesale contract um because they are tied to the reach three

2:41:46

connection Point um um I will say the Shorewood piece is a is 100% private uh it is an

2:41:54

older AC pipe as well um and as you'll see on the next SL here the city's

2:42:00

potential solution would eliminate that AC

2:42:05

pipe um let's see here um so what are the benefits of the replacement moving

2:42:11

along the gallager hill or the alternative location again I think first and foremost putting a pipe that's

2:42:16

accessible uh is a big win for the utility team uh our utilities operations manager is on this call and he'd happily

2:42:23

tell you that pipes that are accessible are definitely preferable for uh ongoing maintenance and operation and emergency

2:42:30

responses um so moving the pipe to Gallagher the southeast 36 and up Gallagher alignment puts it in RightWay

2:42:37

in the RightWay um there will be a portion of it that would go through the wash dot RightWay as we learned through

2:42:44

uh the King County Sewer project that can be a bit of a process to undertake we've had some early conversations with

2:42:50

watch do and we think that there is a potential alignment that we can work with watch do to achieve um additionally

2:42:57

this alignment allows us to replace one of the upcoming AC replacement projects

2:43:02

was in the Gallagher Hill section already uh so it allows us to not only replace AC pipe at the same time that

2:43:09

we're installing a new transmission line so uh we can actually work within some of the design parameters that were

2:43:15

already identified uh for that AC pipe replacement and making sure that those pipes can fit within that location

2:43:22

together in harmony um I think it's important to note that part of this would be as for

2:43:30

the the city's process usually when we construct new water mains we abandon the existing water main in place um again

2:43:38

with the abandonment of that reach three segment the Shorewood connection would have to be a discussion Point um in

2:43:44

terms of their future connection to either the city distribution system or uh an ongoing connection to Seattle

2:43:50

Public Utilities next

2:43:57

slide So speaking specifically of shwood there's a couple Alternatives one is the

2:44:02

do nothing approach um in theory if if the city did construct uh the Gallagher

2:44:08

the southeast 36 and Gallagher transmission line Shorewood could remain connected to the 24 in line that was

2:44:15

just reigned as part of the emergency repair that's not a deal uh again that doesn't aband that would never that

2:44:21

would not abandon that that pipe in place um however early analysis does indicate that we could connect Shorewood

2:44:28

via two new pipes to the city's system that are fed off of 36 and 88 as you see here uh and Sh Shorewood become a new

2:44:35

Wholesale customer of the city um so

2:44:40

again we're not solving that problem today but there are some options that we have looked at at least from a preliminary standpoint that are uh

2:44:47

considerations for for for not only our discussions of design um but also our conversations discussion with spu should

2:44:54

be moved forward with uh this pipe

2:45:00

alignment so on the screen before you is just a very high level planning cost estimate um again the replacement of

2:45:06

this new transmission line uh would be with a duct pipe uh that is more

2:45:12

seismically uh more Sibly fit for uh this type of water M um the total

2:45:19

estimated planning level cost estimate is just about 19 mil again that's just a planning level estimate that does

2:45:25

include uh the new transmission pipe along the southeast 36 and gallager

2:45:31

Alignment um that does not include replacing uh the rest of the reach four

2:45:36

pipe that you saw before I think it would most likely be preferred step to

2:45:41

perhaps negotiate ownership of that and and figure out a replacement cycle for that pipe down the road um staff isn't

2:45:48

recommending replac that right this very moment but additional details would need need to be known about that pipe before

2:45:55

uh we come back to the council and and have a full-blown recommendation but early indications are we wouldn't

2:46:00

replace reach four at this time again planning level assists only

2:46:05

next slide so the preliminarily staff have

2:46:12

included this project as included in the upcoming CIP program uh so we're looking

2:46:17

for Council Direction on whether to continue to include that project to construct a new 24-
in pipe uh a new

2:46:24

transmission line for the city um we part of this process staff would

2:46:29

evaluate the optimal Del delivery method uh possibly looking at alternative Service delivery
alternative Service

2:46:36

delivery and construction methods for this project uh we would obviously have to begin
negotiations with spu or

2:46:44

Seattle Public Utilities regarding the ownership of uh the pipe and transfer of ownership of
other reaches uh and bring

2:46:52

into the conversation the Shorewood apartment conversation as part of a whole as part of
the larger overall

2:46:57

wholesale contract with Seattle Public Utilities additionally we would submit a

2:47:03

capital funding request to the state legislator for this project next slide so on the screen is

2:47:10

the actual recommendation in the agenda bille uh we have a number of Engineers

2:47:16

here this evening to help talk about this as well uh I sure I'm sure I went through this

2:47:21

quite quickly and there's lots of questions about it and we're here to answer those questions uh as to the best

2:47:27

of our ability again this project is not designed these are all preliminary planning level estimates and and

2:47:32

preliminary alternative analysis that have been done but uh in a nutshell the proposed alignment is the one that makes

2:47:39

the most sense um and could could be constructed in in within feasibly within

2:47:45

the next three years as what we're anticipating so with that I will ask Ellie to stop sharing the screen and

2:47:51

we're here to answer any questions okay thank you for that

2:47:57

presentation I'll turn it up to questions do you have a question I don't have a question I have a motion when the

2:48:02

time is right okay any questions from Council Council M wer yeah uh could you

2:48:09

talk to us a little bit more about the likelihood of getting Fundy from the state legislature

2:48:16

Jason Jesse hi there I mean knowing the headwinds are coming

2:48:22

there probably to be plan b or c right I don't as the previous presentation we

2:48:29

have 106 uh capital projects queued up for the next biium in various stages of design

2:48:37

and construction uh of all the projects on the table this one seems like it has the

2:48:43

most potential to uh attract attention and potentially funding support report

2:48:50

ultimately though it's going to depend on the state's fiscal position I wanted

2:48:56

to I I added that piece to the motion because I wanted to get um The council's

2:49:01

Authority for both myself and uh the mayor and Deputy Mayor to have early conversations with our legislators

2:49:08

there's a whole sequence of events that need to happen to prepare uh capital budget asks of the state and they start

2:49:15

now um so that that is can't predict the outcome but I think this project uh the

2:49:22

magnitude the importance of it um it's it's the the one that's right to make

2:49:27

the ask for it's just interesting that you

2:49:32

interpret the motion to be Authority and I read the motion to be servitude these

2:49:38

two I I was volun holding the mayor and Deputy Mayor to work on this with me I I

2:49:44

read a very strong volunt in that motion council member Jacobson

2:49:52

uh I have two completely unrelated questions uh question number one is uh

2:49:58

has spu uh repaired or replaced the valve on

2:50:05

U on uh that's in the middle of the

2:50:11

RightWay uh on in Belleview um that that failed

2:50:18

in open position yet and if not is there a timeline for that and in any event is

2:50:26

that something that we're on the hook for financially the costs there up for

2:50:31

fixing that valve because that valve fails we're we're back to Spring of or

2:50:37

fall of 2023 whenever we had the first failure uh good question counc M jobson

2:50:44

I will have to follow up with you on the specifics of timing for that valve replacement
understanding is that they

2:50:49

have not replaced that valve yet um they've been waiting for uh the right

2:50:55

time uh obviously because there is an impact to us as far as the responsibility the fiscal responsibility

2:51:02

it's broken out by um the wholesale contract I'd have to go back and look at the specific location of that the city

2:51:09

would be responsible for a portion of that I'll have to get back to you on the specific details on what percentage

2:51:15

whether it's part of the reach three or if it's part to reach to I'll have to go confirm that but I can let me follow

2:51:22

with you get back to you thank

2:51:27

you okay Council any other discussion all right Deputy Mayor

2:51:33

rosenbom all right this is a long one uh I moved to direct staff to include the design and construction of a new

2:51:38

transmission line in the 2025 to 2030 Capital Improvement plan negotiate a

2:51:43

preferred pipeline alignment and ownership from Seattle Public Utilities identify long-term solution to serve the

2:51:49

shore departments prepare an amended wholesale service contract and return to the city council with a recommended

2:51:55

Project funding plan in addition direct the city manager to prepare a capital funding request for submission to the Washington State Legislature include

2:52:02

this request as part of the city's 2025 legislative priorities further authorize the mayor and Deputy Mayor to commence

2:52:09

conversation with the State Legislative Representatives about this project and the corresponding Capital funding request second okay moved by Deputy

2:52:16

Mayor Rosenau I'm seconded by Council weberg Council any discussion Council

2:52:22

Jacobson you have your hand up yes and my question is uh during your

2:52:30

uh presentation uh Jason you indicated that one of the results uh should we replace

2:52:38

and I can't remember it's reach three or reach four or both uh shwood would become a new Wholesale customer and if

2:52:47

if so how does that differ from relationship with uh shwood at the present time if at all good question so

2:52:54

sh Show shwood currently is a direct customer of Seattle Public Utilities uh it is possible that through

2:53:01

a new alignment they could become a direct customer of the city um and so was the city takes over the city

2:53:08

constructs a new transmission line and how they are connected and again this is subject to design and and connection

2:53:14

points but it is possible that Shor becomes a direct customer cust of us

2:53:19

rather than of Seattle Public Utilities as they currently are now are

2:53:25

there are there any advantages to a different relationship with shwood than it has now in terms water

2:53:33

supplier uh there I mean there's there could certainly be some uh there could certainly be some advantages to it there

2:53:40

could also be some disadvantages to it part of the work that we would do as part of that short evaluation would would evaluate those different

2:53:46

components and provide those um sort of decision-making elements because they

2:53:51

would be tied to the decision- making factors U as part of the council consideration for this people alignment

2:53:56

as part of the project design uh there's there's certainly trade-offs to it right uh you know the relationship that we

2:54:03

have with shood is different than the way the relationship that Seattle Public Utilities has uh they are they are ran

2:54:09

residents uh so I mean there's there's a handful of sort of trade-offs that we can evaluate both pros and potentially

2:54:15

pros and cons that have to be part of the decision- making discussion okay thank you look forward to it okay thank

2:54:22

you not seeing any other discussion I'm going to ask the city clerk to call the role thank you Mr Mayor Deputy Mayor

2:54:29

rosenbom hi council member Jacobson hi council member wer I council member

2:54:36

andrw I council member Weinberg I council member Reynolds I and may hi

2:54:43

thank you Mr Mayor thank you all right our next item of regular business has no agenda Bill and is a discussion to

2:54:50

consider adding a resolution in opposition of State initiative 2117

2:54:55

concerning carbon tax credit trading and state initiative 2066 concerning access

2:55:00

to natural gas for Washington homes and businesses to the October 15 city council agenda this item was requested

2:55:07

to be added to the agenda pursuant to city council rules of procedure section 4.2 by council member Reynolds and

2:55:14

Weinberg pursuant to city council rules of procedure section 4.2 our discussion

2:55:19

tonight will be limited to whether or not to place this on the agenda for the October 15 discussion and

2:55:25

deliberation and is there is there any discussion about whether or not to place this item on the agenda so I'll I guess

2:55:32

I'll turn it over to the two of you for that discussion knowing that there's some guard rails on that counc Weinberg

2:55:40

or Council Reynolds I'll defer to council member go I'll go first if I can and I'll I'll

2:55:47

attempt to to threat the needle appropriately with the guidance given by our City attorney and I'll trust someone

2:55:53

to jump in with an appropriate point of order uh if I fail um without clearly without

2:56:00

attempting to tell anyone how they should vote and further I'm not going to attempt to tell the council how they

2:56:05

should vote if this comes up on October 15th um I just want to note that this

2:56:11

strikes me as an issue of some importance to the state and to the residents of merer Island no matter how

2:56:17

you feel about the initi I also feel that it's closely and inextricably tied to our climate action

2:56:24

plan which which the council adopted unanimously as I recall about a year ago maybe a little bit longer I forgotten

2:56:29

now um so it it feels very appropriate for the council to take a stand on this one way or another and I would welcome

2:56:36

the opportunity to be able to make the case for why we should take a stand and I hope to get that chance in the

2:56:42

15th council member anderol thanks well it seems like um

2:56:49

this item is already in violation of state law because instead of asking for a discussion to consider adding a

2:56:56

resolution about the initiative it is to consider adding a

2:57:01

resolution in opposition of the initiative and so that is already advocacy on this initiative and so

2:57:10

I'm highly displeased and offended by this and I think it's putting the city at legal risk with regard to using city

2:57:18

um Resources with regard to taking position on ballot initiative or any

2:57:24

sort of a a ballot item um so I will say that I think the city should not be

2:57:31

taking positions on ballot initiatives I will read from a constituent who I think

2:57:39

phrased it very well um as a Mercer Island resident and taxpayer I urge the

2:57:44

council to respect the will of the voters and to refrain from stating a position on these initiatives besides

2:57:51

alienating the many local residents who paraphrasing here have different opinions about these initiatives it

2:57:58

seems out of place for a city council to be getting involved in a Statewide political issues like this I would

2:58:03

prefer the focus to remain on our city um I had another email from another

2:58:08

constituent um which was advocacy and so I won't read it but at the end it just

2:58:14

said the city should butt out I thought that was was a pretty succinct way to put it um I I think from

2:58:22

a policy standpoint there are so many initiatives and ballot items that I

2:58:30

just think we need to focus on City business this is not City business and I

2:58:36

am strongly opposed to even placing this item on the October 15th agenda for

2:58:42

consideration much less whatever the outcome might be on it okay same uh City attorney B Parks

2:58:51

thank you mayor I'd I'd like to just address um whether having this um agenda

2:58:56

item is already a violation or not the exception to the state law that provides

2:59:04

that the city council can adopt a resolution or vote on a motion

2:59:09

specifically says that uh the city council can do so to support or to

2:59:15

oppose so um it is proper um it's not required but it is it is okay for for

2:59:22

that word support or oppose to be included um in this agenda agenda uh

2:59:30

title as well as uh to be considered before you tonight thank you thank you

2:59:36

council well I would just add that that's not what this agenda item says it says

2:59:44

opposition which is advocacy it doesn't say to consider consider adding a resolution to either support or oppose

2:59:52

so I mean we need clarification we don't deal with this issue very often if we need clarification down the road that's

2:59:58

fine but um I stand by my

3:00:04

comments City attorney Parks I heard you explain that it is okay to have the

3:00:10

title of the resolution or the agenda item resolution being either opposed or support is that your your contention

3:00:19

that's correct and uh it is okay for you to discuss this matter because included

3:00:26

in the exception there's also an exception that you can talk about a ballot measure provided that it's part

3:00:33

of the body in this case the city council's uh normal part of normal and

3:00:42

regular conduct of the office and um you know as part of your rules of procedure

3:00:50

it includes um discussing um agenda items brought by to council members for

3:00:57

consideration at Future Council meetings okay thanks for that

3:01:02

clarification council member weberg yeah so I actually agree that we should focus

3:01:10

on the city's business and if a ballot measure might materially impact the city's ability to complete

3:01:18

its work plan then I believe that the council should at least take a vote on

3:01:24

whether to inform the voters about those impacts by voting either to support or to oppose uh the ballot

3:01:32

measures Okay C

3:01:38

Jacobson uh well we got a taste uh earlier on uh

3:01:44

what the inability of people of people to follow follow any guidelines when uh

3:01:50

M rudolphy and miss boatsman you know blew in the face with violated what they're
Express instructions from the

3:01:57

mayor uh I don't see that any of us are especially qualified to be telling

3:02:03

people out of vat we have ways of doing that if we want to do that on our own hook and I
don't see it's the council's

3:02:11

job to to jump into this Brier patch because I will tell you jumping into it

3:02:16

there will be negative consequences for the for our city and the negative consequences I'm
talking about is that

3:02:22

they're going to be a considerable number of people alienated no matter what we do
whether we oppose or support

3:02:27

this and with all the stuff that we've got to do that we've listened to tonight

3:02:33

about all of the needs there are we don't need we don't need to get

3:02:38

people half of the population or 10% of it upset about well you should have

3:02:43

supported you should have opposed it brought TR La lot this is not a part of our normal and
regular business because

3:02:49

I don't recall in four years and uh now nine months on the city council we've

3:02:55

ever done this it is a regular thing to for City Council Members two of whom can

3:03:02

get together and say hey we' like this issue to be considered but never before in my time here or in my time as the

3:03:10

resident M I'm aware of has the city council been asked to do this so it's not regular and normal at all and so it

3:03:16

doesn't even fall Within exception but we will Ru the day that we did this and I don't care which side of these

3:03:23

initiatives you happen to be on but people are fired up about it and I doubt

3:03:28

that anything we do is going to change it very much and uh uh change the minds

3:03:34

of the people and uh nor have we evaluated what the results of the uh

3:03:42

initiatives failing or passing would be and if you read and listen to stuff

3:03:47

they're diametrically opposed some people say that if they're enacted it's the end of the world some people say if

3:03:53

they're enacted it will cause the state to not be as regressively taxing

3:03:59

citizens you know there are all kinds of positions there's nothing for us to gain in this aside from from some sort of

3:04:05

idea uh giving joy to people who hold our point of view I have my point of

3:04:12

view about it and I will talk to those people that I talk to want to talk to but I don't plan on doing it through the

3:04:18

city council I think it's a gross and serious mistake for us to do this because we operate on public trust we

3:04:24

are going to have to go to the ballot sooner rather than later for uh bonds for a new uh police facility probably or

3:04:32

police and Public Works facility we may have to do that uh for a pipeline

3:04:38

project uh and this ain't our business this is not

3:04:43

our Direct business our business is governing this city and to step outside

3:04:49

those guard rails is a serious serious mistake and those those are my feelings

3:04:55

I feel very strong by thank you Deputy Mayor rosenbom yeah so I I agree with

3:05:00

points that council member Jacobson and council member Weinberg ad just made I do think that if there is an issue that

3:05:06

has a significant uh impact on the city I do I do think residents would want to

3:05:12

know what that impact would be um I think in this case I went back and looked at Kirkland and I believe that

3:05:18

they they passed their resolutions about a month ago um I don't know exactly when they started and when they sort of

3:05:24

passed staff with doing some evaluation you know we we if we'd be doing this on a very short timeline and I think that

3:05:31

it puts the staff in a in a in a bit of a pickle here and I think we've discussed pretty pretty length already

3:05:37

this evening what work is ahead of us in the next few weeks here and there's a lot um you know we wouldn't even begin

3:05:44

to be discussing the merits of this discussion until till uh you know two

3:05:49

days after ballots already went out um and I think back to the amount of discussion that we went into and we were

3:05:55

discussing the parks Levy and the analysis and level of detail we went into and I imagine we would we' want

3:06:01

something similar to understand implications of different initiatives before we offered a recommendation one way or the other I just don't I don't I

3:06:08

think we're just very late to the game here so um I will not be supporting this but I appreciate the efforts y okay and

3:06:15

I'm in the same camp as Deputy Mayor rosenbom so I think um I need a motion if we're going to move

3:06:23

forward so I thought the uh hold

3:06:29

on this is the title if you want it turn it into a

3:06:42

motion I think I could be prepared to do it if you'd prefer council of the line oh yeah yeah go for it if you have own

3:06:48

ready um I'll be basically reading the text very close to from item 13 of the

3:06:54

agenda I would move to add a resolution in opposition of State initiative

3:07:02

2117 concerning carbon tax credit trading and state initiative 2066

3:07:09

concerning access to natural gas for washted homes and businesses to the October 15th city council agenda

3:07:18

second okay moved by Council Reynold second by Council Weinberg any

3:07:24

discussion is that a new hand Council Jacobson no I was trying to get rid of the old one all right not see here we go

3:07:32

all right not seeing any discussion city clerk please call the role thank you Mr mayor council member Weinberg I Deputy

3:07:40

Mayor rosenbom nope mayor nce nay council member wer nay council member

3:07:46

Jacobson Mar council member andraw May and council member Reynolds I motion

3:07:53

fails two to five okay thank you we're moving on to other business

3:07:59

um Council myself and Deputy Mayor rosenbom have consulted with the city clerk in the city manager office

3:08:04

regarding preferred dates provided by council members for moving the November 5 city council meeting and scheduling

3:08:09

the 2025 planning session the recommendation is to move the November 5 city council meeting to Monday November

3:08:16

4 schedule the 2025 planning session for Tuesday February 4 beginning at 12: p.m.

3:08:22

and to cancel the February 18 2025 city council meeting which falls on the week of MISD midwinter break so I'll be

3:08:30

looking for three motions to make these changes first is there a motion to cancel the November 5 2024 city council

3:08:37

meeting and schedule a special meeting on Monday November 4 2024 beginning at

3:08:42

5:00 P p.m sove okay moved by Jacobson second by was that and and okay secer

3:08:50

please call the rooll thank you Mr Mayor Marin hi Deputy

3:08:55

Mayor rosenbom hi council member andrw hi council member Weinberg hi council

3:09:01

member Reynolds I see a thumbs up from council

3:09:07

member Reynolds council member wer hi and council member Jacobson hard thank

3:09:12

you Mr Mayor okay motion passes next is there a motion to schedule the 2025 City Council
planning session for Tuesday

3:09:18

February 4 2025 beginning at 12: p.m. so okay move moved by Deputy Mayor rosenbom

3:09:24

seconded by Council M Jacobson city clerk please call the role thank you Mr mayor council
member Jacobson hi mayor

3:09:32

nce hi council member weberg I council member andrw hi council member Reynolds

3:09:39

I Deputy Mayor rosenbom hi and council member wer hi all right motion passes lastly is

3:09:46

there a motion cancel the February 18 city council meeting no move second okay

3:09:53

moved by Council M Jacobson seconded was that council member andrel yes yes

3:09:58

andr city clerk please call the rooll council member andrell I mayor anise hi

3:10:05

council member Jacobson hi council member wer hi council member Weinberg hi

3:10:11

council member Reynolds I and Deputy Mayor Rosen bone hi thank you Mr Mayor

3:10:17

thank you thank you all right was there any planning schedule notes or nothing on that okay
council member absence is

3:10:22

anything upcoming need to know about okay council member reports dep

3:10:27

mayor rosom anything to report uh nothing to report I have nothing to report council member
nothing thanks okay

3:10:34

weberg yeah so the uh Mercer Island sister city Association held its annual Suare at aliser
and uh September 22nd

3:10:42

there's already considerable excitement building for the 10th biannual student exchange
scheduled will take place

3:10:47

during spring break of 2025 and for this month's open lunch

3:10:53

we're going to be descending upon pagach pizza at noon on Saturday the 19th of

3:10:59

October as always all are welcome it's an open Agenda new sports weather City budgets
and even the weighty topic of

3:11:06

whether pineapple is an acceptable pizza topping all I ask is that everybody please show
respects to the chef by

3:11:11

adding or getting some food and her beverage okay thank you Custer Reynolds

3:11:17

nothing to report council member andell nothing council member

3:11:24

Jacobson um well I'll get your Jake doll out to stick Pinon to because the

3:11:29

utility board's meeting on Tuesday and we're going to talk about utility rates I uh none of which are going down or

3:11:34

staying the same as you uh hopefully noted from the materials I sent out about 10 days ago or two weeks ago but

3:11:42

if you do have some comments on those utility rates or questions please fire them off to me by uh you before uh 5 o'

3:11:50

on the well on 8 when that uh that meeting is takes

3:11:59

place and so I can express whatever thoughts you have uh if anybody desires

3:12:04

that information one more time just send me a text or an email and I'll fire off the summary sheets that I sent off once

3:12:11

before sounds good thank you the next hybrid meeting of the city council schedule for Tuesday October 15 2024 at

3:12:17

5:00 p.m. the time is now 8:11 p.m. as a reminder city council please stay seated into the city's terminated broadcast

3:12:22

good evening and thanks for joining us tonight

English (auto-generated)

Live chat replay