



CITY COUNCIL MINUTES SPECIAL VIDEO MEETING MAY 5, 2020

CALL TO ORDER & ROLL CALL

Mayor Benson Wong called the meeting to order at 5:01 pm from a remote location.

Mayor Benson Wong, Deputy Mayor Wendy Weiker and Councilmembers Lisa Anderl, Jake Jacobson, Salim Nice, Craig Reynolds, and David Rosenbaum (5:05 pm) participated remotely using a video teleconferencing platform by Zoom.

The Mercer Island City Leadership Team participated from remote locations.

City Manager Jessi Bon, and City Clerk Deb Estrada participated remotely from separate rooms at City Hall, 9611 SE 36th Street, Mercer Island, Washington.

PLEDGE OF ALLEGIANCE

Deputy Mayor Weiker led the Council in the Pledge of Allegiance.

AGENDA APPROVAL

It was moved by Anderl; seconded by Nice to:

Approve the agenda as presented.

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

Passed 7-0

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

CITY MANAGER REPORT

City Manager Bon reported on the following:

- Reopening Washington – Governor Inslee announced the extension of the Stay Home, Stay Healthy Order through May 31. The state is currently in Phase 1.
 - Phase 1 City Operation Changes
 - Phase 2, beginning no earlier than May 25
 - Phase 3, could start June 15
 - Phase 4, could start July 6
 - Moving from Phase to Phase – specific readiness and capabilities need to be met before moving to the next phase.
 - Anticipate at least three weeks between phases
 - Individual Guidance
- Give Back on #GivingTuesdayNow – global day of giving and unity
- Home Invasion Robbery Update
- Virtual Block Watch
- Board and Commission Openings – Application deadline is May 19
- Over 100 masks distributed during senior hours at Mercerdale Park on April 24 and May 1

APPEARANCES

Carol Heltzel, Mercer Island – Ms. Heltzel emailed the Council at 11:42 am encouraging the Council to post signs encouraging bikers and runners to wear masks while using the trails and parks. She also requested that signs listing Senior hours be placed at Mercerdale Park.

CONSENT CALENDAR

Payables Reports for the Periods Ending:

- A. Report for the period ending April 17, 2020 in the amount of \$561,952.01, and
- B. Report for the period ending April 24, 2020 in the amount of \$168,425.42

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

Certification of Payroll:

- A. March 27, 2020 in the amount of \$818,167.33, and
- B. April 24, 2020 in the amount of \$790,824.26

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

AB 5686: 2020 Water System Improvements Project & Bid Award

Recommended Action: Award the 2020 Water System Improvements project to Oceanside Construction in the amount of \$705,841, set the total project budget at \$1,194,009, and direct the City Manager to execute the construction contract.

It was moved by Jacobson; seconded by Anderl to:

Approve the Consent Calendar as presented.

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

Passed 7-0

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

REGULAR BUSINESS

AB 5684: Backflow Prevention Assembly Testing Enforcement Update

Alison Van Gorp, Policy Group Lead, explained what a backflow prevention assembly is to Council and that completion of annual backflow testing is a necessary requirement to protect the City's water supply. She also noted that Washington state law requires water purveyors to have a Cross Connection Control Program to protect the public from contaminated drinking water and that the requirement had not changed because of COVID-19.

Van Gorp further explained that in 2017, the CPD update to the code compliance regulations made the penalty for a testing violate a civil infraction, noting that issuing hundreds of civil infractions each spring and summer has been extremely onerous for staff. The proposed amendment would eliminate civil infractions and monetary penalties related to testing violations and water shut-off would remain the end point for enforcement.

In response to Council concerns about testing costs during the pandemic, Van Gorp explained that if a customer is unable to cover the cost of the test, the City can connect the homeowner to resources through the Emergency Assistance Program.

It was moved by Nice; seconded by Jacobson to:

Suspend the City Council Rules of Procedures, Section 6.3

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

Passed 7-0

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

It was moved by Nice; seconded by Weiker to:

Adopt Ordinance No. 20C-07, amending MICC 15.14.060 and MICC 15.14.080 related to enforcement of certification and testing of Backflow Prevention Assemblies.

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

Passed 7-0

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

AB 5688: Small Business Support Update & Port of Seattle Grant Application

Sarah Bluvas, Small Business Liaison, explained that during the COVID-19 emergency she was reassigned from her normal Parks and Recreation duties to a role in the Emergency Operations Center, supporting Mercer Island's local business community. In this role, she partners with Councilmembers, the Mercer Island Chamber of Commerce, and local business owners and advocates to hear and resolve concerns; share local, state, and federal resources; and raise awareness for local business support among the community.

Bluvas went on to explain that in this new role, she and others researched financial resources to strengthen efforts to support the local business community during the COVID-19 recovery period. Staff identified a grant through the Port of Seattle Economic Development Partnership Program intended to help fund local economic development initiatives across King County. She further explained that Mercer Island was eligible to receive \$24,470, with an additional match requirement of \$12,235, noting that approximately half of this match (\$6,100) could come from in-kind support in the form of staff time, and the other half (\$6,135) would require a cash match.

Council expressed support and encouragement for Ms. Bluvas' work, the grant, and efforts to support Mercer Island small businesses.

AB 5689: City Manager's Request for Salary Reduction

City Attorney Bio Park explained the COVID-19 pandemic had created a health and economic emergency that was significantly impacting the Mercer Island community and consequently the City's finances. To achieve budget savings during the emergency, City Manager Bon requested to reduce her salary by 10% for the remainder of 2020. Park also explained that the City Manager's salary is a contractual provision in the City Manager's Employment Agreement and that the City Council had to authorize an amendment to the Agreement for her salary to be reduced.

The entire Council demonstrated support and spoke with tremendous respect for City Manager Bon's leadership, empathy, and initiative during a very difficult time in the City's history.

Councilmember Rosenbaum suggested that Council consider donating their salaries, to which City Attorney Park responded explaining the restrictions on changing council salaries.

It was moved by Nice; seconded by Jacobson to:

Authorize the Mayor to accept and execute an amendment to the current City Manager Employment Agreement for a 10% temporary salary reduction through the end of 2020.

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

Passed 7-0

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

AB 5687: Financial Forecast, COVID-19 Impacts, and Cost Saving Measures

City Manager Jessi Bon and Interim Finance Director Matt Mornick reported that staff committed to Council at its April 7 that staff would return to Council in early May with a complete General Fund and YFS Fund financial forecast and plans to address the revenue shortfalls. Mornick explained that efforts to address the revenue shortfalls had been grouped into phases. Phase 1 included a focused review of the YFS Department as well as park and recreation programs and services during the end of March and early April. Phase 2 included a review of all departments and funds receiving General Fund support, apart from Special Revenue and Capital Project Funds. These Funds would be reviewed in Phase 3, along with Utility Funds and other City funds that would likely see revenue reductions because of the COVID-19 emergency.

Mornick continued to outline the financial forecast for Council as follows:

YFS Fund – Updated Forecast:

- Revenue Shortfall - \$1,300,000
- Overview of Cost Saving Measures
- Phase 1 - Initial workforce reductions were made in mid-March/early April
- Phase 2 – 90-day Standby Layoffs implemented at the end of April
- Thrift Store Re-Opening Analysis – Phase 2 of Governor's Safe Start Plan
- Steps Forward – Establish YFS Working Group

General Fund – Updated Forecast:

- Revenue Shortfall - \$4,700,000
- Cost Saving Measures - Initial workforce reductions were made in mid-March/early April in the Parks
- Phase 1 – Hiring Freeze
- Phase 2 – Staff Reductions

General Fund Steps Forward to address the \$2.1 Million projected revenue shortfall:

- Additional workforce reductions (currently under review)
- Consider citywide furlough strategies.
- Potential delay on non-essential 2020 CIP General Fund projects.
- Suspend non-essential professional service contracts.
- Meet with labor partners to explore other cost saving strategies

Parks & Recreation Services:

Interim Finance Director Mornick the Recreation Services forecast assumes that the Community Center would remain closed through the end of 2020, noting that the Community Center and outdoor leagues are part of Phase 3 of the Governor’s Safe Start Plan.

Mornick explained that the Governor’s most recent order allowed for landscape maintenance to resume on May 5 and that outdoor recreational activities would be allowed to slowly resume over the first three phases of the Safe Start Plan.

City Manager Bon explained that options for steps forward could include establishing a working group of City Council, MISD School Board members, and staff to discuss and provide recommendations on service-level reductions at shared facilities, long-term funding strategy to address maintenance needs, and other possible partnerships.

Unemployment Costs:

- The City of Mercer Island is self-insured for unemployment.
- With the passage of the CARES Act, self-insured employers will be reimbursed for half (1/2) of the unemployment costs by the federal program.
- Residual Personnel Costs include accrued benefit cash-out, health insurance coverage for remaining month, 50% of unemployment benefits for up to 39 weeks

Emergency Response Overview:

- Activated the Emergency Operations Center (EOC) the first week in March.
- At the peak, the EOC was activated at Level 1 and there were nearly 40 staff supporting a wide variety of EOC functions.
- Beginning May 2, the EOC transitioned to Level 2 status.
- Emergency Expenditures:
- Detailed cost tracking in EOC including all staff time associated with the emergency response.
- Ensure the Annual Financial Report accurately reflects use of City resources.
- Emergency expenditures:
 - Personal protective equipment (PPE)
 - Specialized disinfecting machine for City facilities
 - Technology equipment for remote work

Council discussed the staff presentation at length and asked several questions. When fire and police overtime was mentioned, City Manager Bon recommended an executive session to discuss union negotiations in more detail.

Bon summarized the work ahead explaining that it would include addressing General Fund and YFS Fund shortfalls, refining revenue forecasts, an analysis of General Fund “Working Capital”, and monitoring expenditures. She also noted that the work would involve preparing a draft Capital Improvement Program for 2021-2026 and the 2021-2022 budget preparation.

There was Council support to freeze the fleet fund through the end of the year, to which staff agreed to research further.

It was moved by Nice; seconded by Jacobson to direct the City Manager to:

- 1) **Continue Level 2 emergency response**
- 2) **Return with a budget amendment on 5/19 to:**
 - a) **Appropriate funding from the Compensated Absences Reserve to cover accrued benefit cash-outs for laid off workers. (Balance \$1 million+ as of 12/31/2019).**
 - b) **Appropriate \$500,000 of Contingency Funds for Emergency Operations thru August 31, 2020.**
 - c) **Appropriate Contingency Funds to address projected YFS Fund deficit.**
 - d) **Rebalance the 2020 budget based on Phase 1 and Phase 2 reductions.**
 - e) **Present policy options to address remaining revenue shortfalls.**

It was moved by Reynolds; seconded by Weiker to:

Amend the motion to use a “no reduction in spending scenario.”

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

FAILED: 6-1

AGAINST: 6 (Anderl, Jacobson, Rosenbaum, Nice, Weiker, and Wong)

FOR: 1 (Reynolds)

Passed 7-0

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

OTHER BUSINESS

Planning Schedule

City Manager Bon reported that the top priority for the next meeting is the CIP. She also reported that staff are working on Work Plans and hope to bring them back to Council soon for re-prioritization. She also reported that an Executive Session would be scheduled for the following week.

There was Council consensus to start the May 19 meeting at 5 pm.

Councilmember Absences

There were no absences reported.

Councilmember Reports

Councilmember Rosenbaum suggested that Council consider finding a way to say thank you to EOC staff.

Mayor Wong reported that Councilmembers Jacobson and Reynolds tuned into the April 24 K4C background presentation, noting that the June 3 summit was still on the calendar. He also reported that the PIC has scheduled a May 13 meeting to discuss sewer rate increase proposals by the King County staff. Council responded unanimously that they were supportive of a 0% rate increase for 2021.

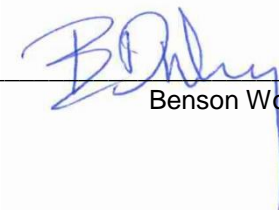
ADJOURNMENT

There being no additional business to come before City Council, the Special Video Meeting adjourned at 9:50 PM

Attest:



Deborah A. Estrada, City Clerk



Benson Wong, Mayor