



# CITY OF MERCER ISLAND

## CITY COUNCIL MEETING AGENDA

Monday  
December 5, 2016  
5:00 PM

**Mayor Bruce Bassett**  
**Deputy Mayor Debbie Bertlin**  
**Councilmembers Dan Grausz, Jeff Sanderson,**  
**Wendy Weiker, David Wisenteiner**  
**and Benson Wong**  
Contact: 206.275.7793, council@mercergov.org  
www.mercergov.org/council

All meetings are held in the City Hall Council Chambers at  
9611 SE 36th Street, Mercer Island, WA unless otherwise noticed

“Appearances” is the time set aside for members of the public to speak to the City Council about any issues of concern. If you wish to speak, please consider the following points:  
(1) speak audibly into the podium microphone, (2) state your name and address for the record, and (3) limit your comments to three minutes.  
*Please Note: The Council does not usually respond to comments during the meeting.*

## REGULAR MEETING

### CALL TO ORDER & ROLL CALL, 5:00 PM

### AGENDA APPROVAL

### EXECUTIVE SESSION

Executive Session #1 to discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 60 minutes

Executive Session #2 regarding that portion of a meeting during which the governing body is planning or adopting the strategy or position to be taken by the governing body during the course of any collective bargaining pursuant to RCW 42.30.140(4)(b) for approximately 15 minutes

### STUDY SESSION, 6:15 PM

- (1) AB 5237 Sound Transit Presentation on South Bellevue Park-and-Ride Closure

### APPEARANCES, 7:00 PM

### CONSENT CALENDAR

- (2) Payables: \$123,954.53 (11/22/16)  
Payroll: \$830,031.49 (11/23/16)  
Minutes: November 29, 2016 Special Meeting Minutes

### REGULAR BUSINESS

- (3) AB 5239 2017-2018 Final Budget Adoption
- (4) AB 5238 3rd Quarter 2016 Financial Status Report & Budget Adjustments
- (5) AB 5234 Crown Castle Small Cell Franchise Agreement (2nd Reading)
- (6) AB 5236 Draft 2017 Legislative Agenda
- (7) AB 5235 I-90 Loss of Mobility Negotiations Status Report

### OTHER BUSINESS

Councilmember Absences  
Planning Schedule  
Board Appointments  
Councilmember Reports

### EXECUTIVE SESSION

Executive Session #3 to discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 30 minutes

### ADJOURNMENT



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

**AB 5237  
December 5, 2016  
Study Session**

**SOUND TRANSIT PRESENTATION ON SOUTH BELLEVUE PARK AND RIDE CLOSURE**

**Proposed Council Action:**  
Receive presentation.

**DEPARTMENT OF**

City Manager (Kirsten Taylor)

**COUNCIL LIAISON**

n/a

**EXHIBITS**

1. Park and Ride Options Folio
2. Map of East Link Replacement Parking During Construction

**APPROVED BY CITY MANAGER**

<b>AMOUNT OF EXPENDITURE</b>	\$	n/a
<b>AMOUNT BUDGETED</b>	\$	n/a
<b>APPROPRIATION REQUIRED</b>	\$	n/a

**SUMMARY**

The South Bellevue Park and Ride located at 2700 Bellevue Way S.E in Bellevue is scheduled to close as early as January 2017, and will be closed for approximately five years during construction of East Link Light Rail, the South Bellevue station, and a completely new Park and Ride facility. Parking will be increased from 519 stalls today to 1500 parking stalls on the same site. Due to the proximity of the South Bellevue Park and Ride to Mercer Island, the City is concerned about potential impacts to the Mercer Island Park and Ride and to local surface streets as a result of the extended closure. The Mercer Island Park and Ride (447 stalls) is currently filled to capacity by 7:30am on weekdays. The most recent license plate survey showed that 53% of the Mercer Island Park and Ride stalls were filled by off-Islanders.

Sound Transit staff will update City Council regarding the closure of the South Bellevue Park and Ride and the measures that are in place to mitigate the loss of 519 parking stalls. Mitigation measures include alternate Park and Ride facilities at various locations in Bellevue, as well as other incentives and programs to enhance Eastside transit service. See Exhibit 1 for a Sound Transit Park and Ride Options folio and Exhibit 2 for a map showing East Link Replacement Parking During Construction.

**RECOMMENDATION**

*Assistant City Manager*

Receive status update, no action required.



## Plan your trip



Sound Transit, in partnership with King County Metro's Just One Trip program, as well as other local community-based programs such as Choose Your Way Bellevue and Go Redmond, is helping you find alternatives to driving alone.

Learn more about your travel options and sign-up for perks and rewards at [JustOneTrip.org](http://JustOneTrip.org)

Click on the "Resources" tab at the top of the [JustOneTrip.org](http://JustOneTrip.org) webpage to learn more about transit, ridesharing, taxi, bicycling and walking, and King County Metro Accessible Services.

Complete the enrollment survey to receive an emergency ride home code and a \$25 ORCA card or transit voucher, and other rewards for logging eight days per month for three months and completing a follow-up survey. Eligibility restrictions may apply. Rewards available while supplies last.



Check out area maps and transportation options at [kingcounty.gov/metro](http://kingcounty.gov/metro)



You can also call us at 206-553-3000 to speak to a route planning professional



We have an app for that! Download Puget Sound Trip Planner App, available on Google Play and iTunes



Receive a customized travel plan by completing a Commute Inquiry Form at [justonetrip.org/commute-plan/](http://justonetrip.org/commute-plan/)



## East Link Extension



Fall 2016

## Park-and-ride options during East Link construction

### Construction in South Bellevue and Redmond

East Link construction will kick off in south Bellevue as early as January 2017 and in Redmond as early as spring 2017. Sound Transit will use the South Bellevue and Overlake Transit Center park-and-ride sites to stage equipment and materials to build the light rail tracks, stations and parking garages.

### South Bellevue Park-and-Ride to close as early as January 2017

The South Bellevue Park-and-Ride will be closed for approximately five years during construction. ST Express buses 550, 555 and 556, and Metro buses 241 and 249 will continue to serve Bellevue Way Southeast next to the closed park-and-ride during construction. The future South Bellevue Station will include bus and paratransit transfer facilities and a 1,500-stall parking garage.

### Overlake Transit Center Park-and-Ride to close as early as spring 2017

The Overlake Transit Center Park-and-Ride will be closed for approximately six years during construction. Transit will continue to serve Overlake Transit Center while the park-and-ride is closed. The future Redmond Technology Center Station will include bus, paratransit and Microsoft Connector service transfer facilities, a bicycle and pedestrian bridge across SR 520, and a 320-stall parking garage.

Sound Transit and the contractor will explore opportunities to open the park-and-rides sooner if possible.

### Stay informed

- Schedule details about the park-and-ride closures will be available in advance of the closures.
- Information will be available on Sound Transit's website and distributed through Sound Transit alerts.
- Sign up for alerts at [soundtransit.org/subscribe](http://soundtransit.org/subscribe).

### ST Express bus improvements on the Eastside

Route	Improvement	Effective
541 (Redmond – Seattle)	Added 44 new trips	March 2016
542 (Redmond – Seattle)	Added new midday service with 20 new trips	March 2016
554 (Issaquah – Seattle)	Added 12 new trips	March 2016
545 (Redmond – Seattle)	Add 15 new weekday trips	September 2016
555/556 (Issaquah – Bellevue – Northgate)	Add 4 new weekday trips	September 2016

For more information about ST Express bus service, visit [soundtransit.org/Schedules/ST-Express-Bus](http://soundtransit.org/Schedules/ST-Express-Bus).

### For more information about the East Link project

- Visit [soundtransit.org/eastlink](http://soundtransit.org/eastlink)
- Sign up for East Link alerts at [soundtransit.org/subscribe](http://soundtransit.org/subscribe)
- Call Sound Transit Community Outreach at 206-398-LINK
- Email Sound Transit Community Outreach at [eastlink@soundtransit.org](mailto:eastlink@soundtransit.org)
- For information in alternative formats, call 1-800-201-4900/ TTY Relay: 711 or email [accessibility@soundtransit.org](mailto:accessibility@soundtransit.org)



To speak with Sound Transit about the proposed Link light rail mass transit project in East King County call 1-800-823-9230 during regular business hours.

Para hablar con Sound Transit acerca del propuesto proyecto de transporte público de Link Light Rail en el este de King County, llame al 1-800-823-9230 durante horas normales de oficina.

要向 Sound Transit 瞭解或討論擬在 East King County 進行的 Link light rail 公共交通項目，請在正常的工作時間致電 1-800-823-9230。

Upang makipag-usap sa Sound Transit ukol sa iminungkahing Link light rail na proyektong sasakyang pangmasa sa Silangang King County tawagan ang 1-800-823-9230 habang sa karaniwang mga oras ng pangangalakal.

Если вы хотите высказать сотрудникам Sound Transit свои соображения по поводу предлагаемого проекта линии общественного транспорта Link light rail в восточной части King County, звоните по телефону 1-800-823-9230 в обычные рабочие часы.

Muốn nói chuyện với Sound Transit về đề án chuyển chở công cộng đường hỏa xa nhẹ Link tại Phía Đông Quận King, hãy gọi số 1-800-823-9230 trong giờ làm việc thường lệ.

در مورد مسیر پیشنهاد شده برای پروژه ترانزیت سبک راه اهنی در کینگ شرقی با شماره 1-800-823-9230 در ساعات کاری تماس بگیرید برای گفتگو با سوند ترانزیت.

Learn about new park-and-ride options inside

Sound Transit plans, builds, and operates regional transit systems and services to improve mobility for Central Puget Sound.  
Sound Transit | 401 S. Jackson St., Seattle, WA 98104-2826 | 1-800-201-4900 / TTY Relay: 711 | [eastlink@soundtransit.org](mailto:eastlink@soundtransit.org) | [soundtransit.org](http://soundtransit.org)

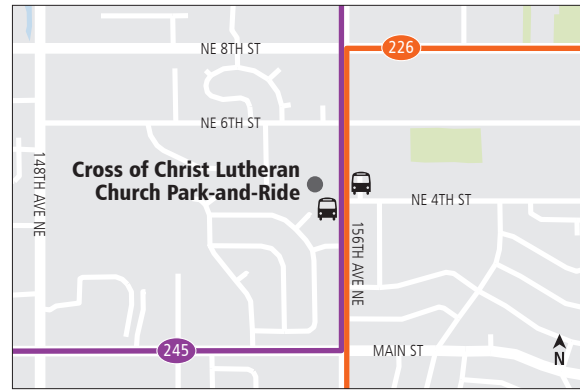
## New park-and-ride options during East Link construction

### Cross of Christ Lutheran Church Park-and-Ride

411 156th Ave. NE, Bellevue  
Served by Metro 226, 245

Service to Bellevue Transit Center, with transfers to Downtown Seattle

Capacity: 50 parking spaces  
M-F hours: 6 a.m. – 7 p.m.



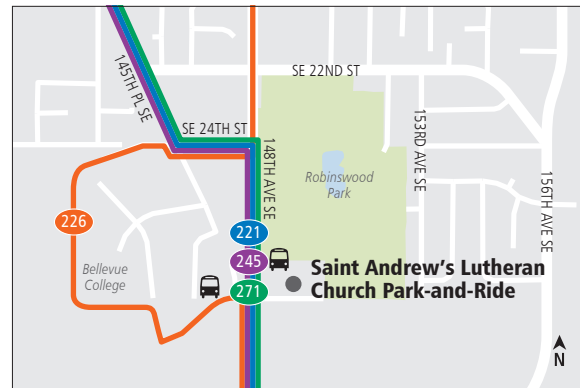
### Saint Andrew's Lutheran Church Park-and-Ride\*

2650 148th Ave. SE, Bellevue

Served by Metro 221, 226, 245, 271

Service to Bellevue Transit Center, with transfers to Downtown Seattle

Capacity: 50 parking spaces  
M-F hours: 6 a.m. – 7 p.m.



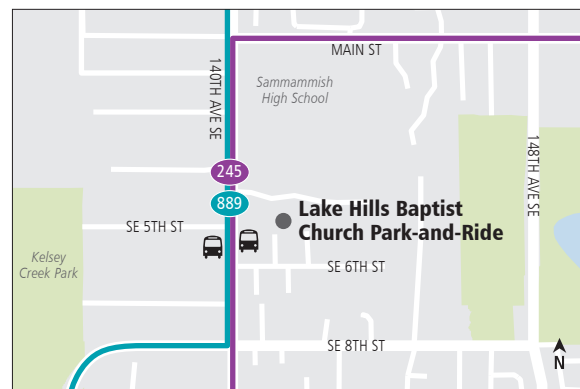
### Lake Hills Baptist Church Park-and-Ride

506 140th Ave. SE, Bellevue

Served by Metro 245, 889

Transfer service to buses across I-90

Capacity: 50 parking spaces  
M-F hours: 6 a.m. – 7 p.m.



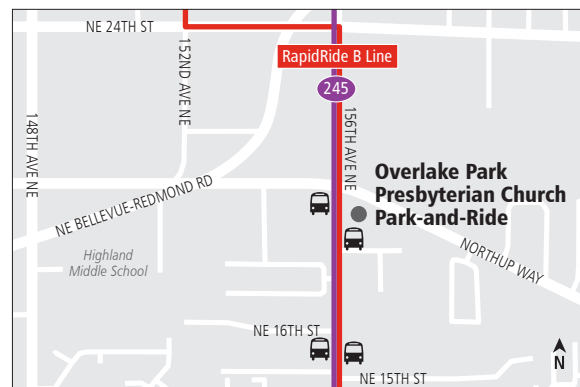
### Overlake Park Presbyterian Church Park-and-Ride

1836 156th Ave. NE, Bellevue

Served by Metro 245, RapidRide B Line (within ¼ mile)

Service to Bellevue Transit Center, with transfers to Downtown Seattle

Capacity: 50 parking spaces  
M-F hours: 7 a.m. – 7 p.m.



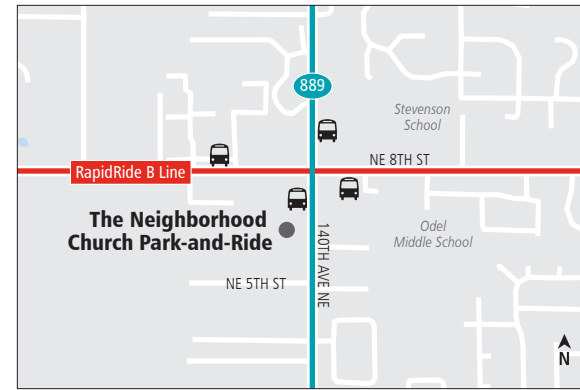
### The Neighborhood Church Park-and-Ride

625 140th Ave. NE, Bellevue

Served by Metro RapidRide B Line (within ¼ mile), 889

Service to Bellevue Transit Center, with transfers to Downtown Seattle

Capacity: 50 parking spaces  
M-F hours: 6 a.m. – 7 p.m.



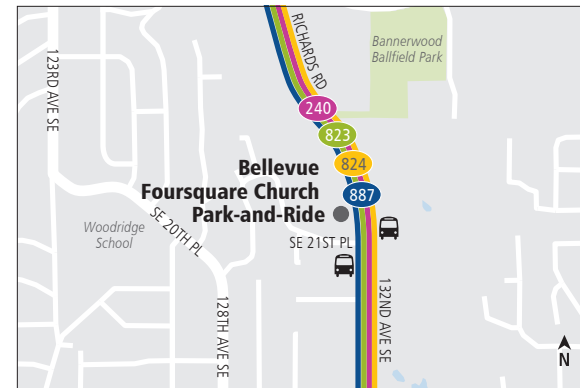
### Bellevue Foursquare Church Park-and-Ride\*

2015 Richards Rd., Bellevue

Served by Metro 240, 823, 824, 887

Transfer service to buses across I-90

Capacity: 50 parking spaces  
M-F hours: 7 a.m. – 7 p.m.



### Renton Bible Church Park-and-Ride

973 Union Ave. NE, Renton

Served by Metro 105, 114

Service to Downtown Seattle

Capacity: 50 parking spaces  
M-F hours: 6 a.m. – 6 p.m.



- Park-and-ride location
- 🚌 Bus stop

\* These existing lots have been expanded to provide more parking spaces.

## Existing park-and-rides near you

For a comprehensive list of park-and-ride facilities and their amenities, visit King County Metro's park-and-ride information page at [metro.kingcounty.gov/tops/parknride](http://metro.kingcounty.gov/tops/parknride).

<b>Eastgate Congregational Church</b> 15318 SE Newport Way, Bellevue	Service to Downtown Bellevue and transfers to Downtown Seattle
<b>Houghton Park-and-Ride</b> 7024 116th Ave. NE, Kirkland	Service across SR 520, with transfers available to Downtown Seattle
<b>Newport Covenant Church</b> 12800 SE Coal Creek Pkwy., Bellevue	Service to Bellevue Transit Center, with transfers to Downtown Seattle
<b>Newport Hills Community Church</b> 5833 119th Ave. SE, Bellevue	Service to Downtown Seattle
<b>Newport Hills Park-and-Ride</b> 5115 113th Pl. SE, Bellevue	Service to Downtown Seattle
<b>Overlake Park-and-Ride</b> 2650 152nd Ave. NE, Redmond	Service to Overlake Transit Center and Bellevue Transit Center, with transfers to Downtown Seattle
<b>Renton City Municipal Garage</b> 655 S 2nd St., Renton	Service to Downtown Seattle and Bellevue Transit Center
<b>Sammamish Hills Lutheran Church Park-and-Ride</b> 22818 SE 8th St., Sammamish	Service to Downtown Seattle
<b>South Sammamish Park-and-Ride</b> 3015 228th Ave. SE, Sammamish	Service to Downtown Seattle
<b>St. Luke's Lutheran Church</b> 3030 Bellevue Way NE, Bellevue	Service to Bellevue Transit Center, with transfers to Downtown Seattle Service to Downtown Seattle via SR 520
<b>St. Matthew Lutheran Church</b> 2516 NE 16th St., Renton	Service to Downtown Seattle
<b>Tibbetts Lot Park-and-Ride</b> 1675 Newport Way NW, Issaquah	Service to Downtown Seattle
<b>Tibbetts Valley Park</b> 965 12th Ave. NW, Issaquah	Service to Downtown Seattle



# East Link Replacement Parking During Construction

## Legend

**P** Overlake Transit Center, South Bellevue Park & Ride

## Parking Locations

- P** New P&R lot
- P** Existing P&R with parking availability
- P** Existing P&R lot
- Sounder Station
- Link Station
- Outside Sound Transit District

## Bus routes

- ST Express route
- King County Metro bus route

Scale: 0 1 2 Mi.

Map Date: 11/2016

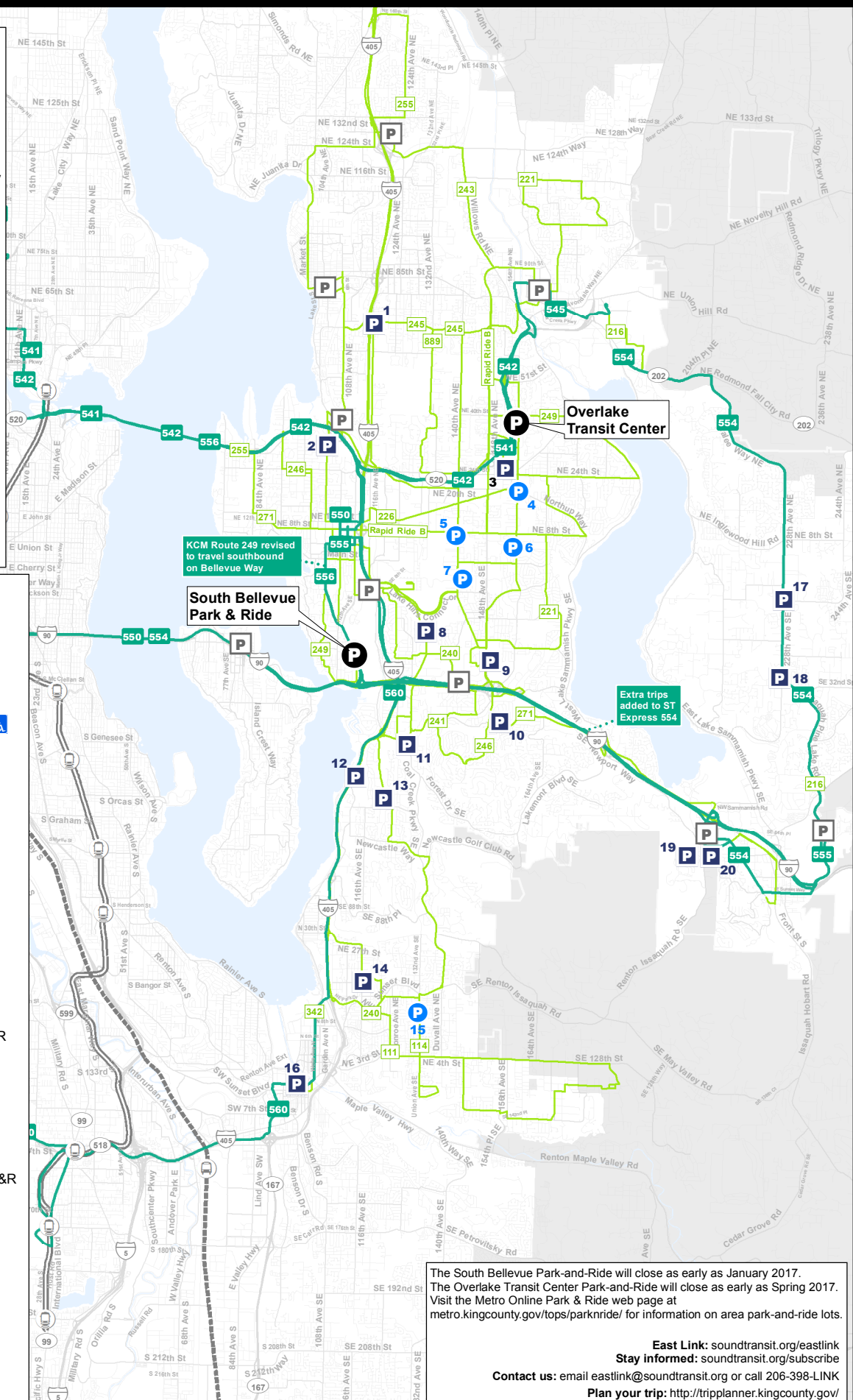
This map is accompanied by NO warranties.



## Park and Ride lot details

- 1** - Houghton P&R   
7024 116th Ave NE
- 2** - St Lukes Lutheran Church P&R  
3030 Bellevue Way NE
- 3** - Overlake P&R   
2650 152nd Ave NE
- 4** - Overlake Park Presbyterian Church   
1836 156th Ave NE
- 5** - Bellevue Neighborhood Church   
625 140th Ave NE
- 6** - Cross of Christ Church  
411 156th Ave NE
- 7** - Lake Hills Baptist Church   
14434 NE 8th St
- 8** - Bellevue Foursquare Church P&R  
2015 Richards Rd
- 9** - St Andrews Lutheran Church P&R   
2650 148th Ave SE
- 10** - Eastgate Congregational Church  
15318 SE Newport Way
- 11** - Newport Covenant Church P&R  
12800 Coal Creek Pkwy
- 12** - Newport Hills P&R   
5115 113th Pl SE
- 13** - Newport Hills Community Church P&R  
5833 119th Ave SE
- 14** - St. Matthews Lutheran Church   
2516 NE 16th St
- 15** - Renton Bible Church   
973 Union Ave NE
- 16** - Renton City Municipal Garage   
655 S 2nd St
- 17** - Sammamish Hills Lutheran Church P&R  
22818 SE 8th St
- 18** - South Sammamish P&R   
3015 228th Ave SE
- 19** - Tibbetts Lot P&R   
1675 Newport Way NW
- 20** - Tibbetts Valley Park  
965 12th Ave NW

- ADA accessible
- Bicycle parking available (lockers and/or racks)



The South Bellevue Park-and-Ride will close as early as January 2017. The Overlake Transit Center Park-and-Ride will close as early as Spring 2017. Visit the Metro Online Park & Ride web page at [metro.kingcounty.gov/tops/parknride/](http://metro.kingcounty.gov/tops/parknride/) for information on area park-and-ride lots.

**East Link:** [soundtransit.org/eastlink](http://soundtransit.org/eastlink)  
**Stay informed:** [soundtransit.org/subscribe](http://soundtransit.org/subscribe)  
**Contact us:** email [eastlink@soundtransit.org](mailto:eastlink@soundtransit.org) or call 206-398-LINK  
**Plan your trip:** <http://tripplanner.kingcounty.gov/>

## CERTIFICATION OF CLAIMS

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Mercer Island, and that I am authorized to authenticate and certify to said claim.



\_\_\_\_\_  
Finance Director

I, the undersigned, do hereby certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

<u>Report</u>	<u>Warrants</u>	<u>Date</u>	<u>Amount</u>
Check Register	184354-184396	11/22/16	\$ 123,954.53
			<b>\$ 123,954.53</b>

**Accounts Payable Report by Check Number**

Check No	Check Date	Vendor Name/Description	PO #	Invoice #	Invoice Date	Check Amount
00184354	11/22/2016	ANDERSON, STUART OVERPAYMENT REFUND		OH007369	11/22/2016	489.09
00184355	11/22/2016	ASPECT SOFTWARE INC Telestaff Monthly Maintenance	P92914	ASI020409	11/05/2016	164.25
00184356	11/22/2016	CALPORTLAND COMPANY #4 X DUST (32.75 TONS)	P92845	93054203	11/03/2016	880.40
00184357	11/22/2016	CENTURYLINK PHONE USE NOV 2016		OH007370	11/16/2016	59.41
00184358	11/22/2016	COMPLETE OFFICE OFFICE SUPPLIES OCT 2016		OH007368	10/31/2016	19,837.78
00184359	11/22/2016	DEPT OF ENTERPRISES SERVICES BUSINESS CARDS OCT 2016		73154703	11/03/2016	408.34
00184360	11/22/2016	GEMPLER'S INC INVENTORY PURCHASES	P92729	SI02994593	11/09/2016	660.04
00184361	11/22/2016	GRAINGER INVENTORY PURCHASES	P92958	9271079031	11/03/2016	72.73
00184362	11/22/2016	HOLMES, EDWARD J PER DIEM REIMB		OH007363	11/18/2016	104.90
00184363	11/22/2016	ICE ALERT INC EXPLANATORY SIGNS & UNIVERSAL	P92902	4026	11/08/2016	2,869.75
00184364	11/22/2016	KC PET LICENSES KC PET LICENSES FEE COLLECTED	P89272	OH007373	10/31/2016	45.00
00184365	11/22/2016	KELLEY, CHRIS M MILEAGE EXPENSE		OH007362	11/16/2016	17.60
00184366	11/22/2016	KIA MOTORS FINANCE DSG 2016 KIA SOUL LEASE	P88915	OH007371	11/14/2016	263.96
00184367	11/22/2016	KING CO PROSECUTING ATTORNEY COURT REMITTANCE KC CRIME VICT	P89273	OH007374	10/31/2016	363.76
00184368	11/22/2016	KING COUNTY FINANCE I-NET MONTHLY SERVICES FROM	P89754	11005124	11/03/2016	1,122.00
00184369	11/22/2016	LEIRA LEIRA - Public Disclosure Adva	P92928	OH007372	11/14/2016	100.00
00184370	11/22/2016	LEOFF HEALTH & WELFARE TRUST DECEMBER 2016 RETIREES		OH007366	11/17/2016	57,590.72
00184371	11/22/2016	PANGHORN, JIM WATCH BATTERIES		OH007360	11/16/2016	53.89
00184372	11/22/2016	PHILEN, SUZANNE ANNIVERSARY SALE SUPPLIES		OH007361	11/09/2016	185.78
00184373	11/22/2016	PRINCE, JAY OVERPAYMENT REFUND		OH007365	11/09/2016	1,210.55
00184374	11/22/2016	PUGET SOUND ENERGY ENERGY USE NOV 2016		OH007359	11/07/2016	8.96
00184375	11/22/2016	SHOOP, JOHN PERMIT REFUND		1610201	11/17/2016	40.00
00184376	11/22/2016	STUDIO ECTYPOS COMM CNTR STORAGE ADDITION DES	P92973	CMI32016	10/24/2016	2,990.00
00184377	11/22/2016	THOMCO CONSTRUCTION INC REFUND HYDRANT METER DEPOSIT		OH007364	11/03/2016	2,900.00
00184395	11/22/2016	US BANK CORP PAYMENT SYS NORTHWEST ENVIRONMENTAL		2449215629589434	11/07/2016	30,661.26
00184396	11/22/2016	WEST COAST SIGNAL INC ON CALL CONTRACT FOR STREETLIG	P85970	1894	10/20/2016	854.36



**Accounts Payable Report by Check Number**

<u>Check No</u>	<u>Check Date</u>	<u>Vendor Name/Description</u>	<u>PO #</u>	<u>Invoice #</u>	<u>Invoice Date</u>	<u>Check Amount</u>
					Total	<u>123,954.53</u>

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: 001000 - General Fund-Admin Key</i>				
P89273	00184367	KING CO PROSECUTING ATTORNEY	COURT REMITTANCE KC CRIME VICT	363.76
P89272	00184364	KC PET LICENSES	KC PET LICENSES FEE COLLECTED	45.00
<i>Org Key: 402000 - Water Fund-Admin Key</i>				
	00184377	THOMCO CONSTRUCTION INC	REFUND HYDRANT METER DEPOSIT	2,900.00
	00184373	PRINCE, JAY	OVERPAYMENT REFUND	1,210.55
P92729	00184360	GEMPLER'S INC	INVENTORY PURCHASES	660.04
	00184354	ANDERSON, STUART	OVERPAYMENT REFUND	489.09
P92959	00184361	GRAINGER	INVENTORY PURCHASES	55.53
<i>Org Key: CA1100 - Administration (CA)</i>				
	00184395	US BANK CORP PAYMENT SYS	MARCUS WHITMAN HOTEL	378.84
	00184395	US BANK CORP PAYMENT SYS	T MACCARONES	37.58
	00184395	US BANK CORP PAYMENT SYS	INTERNATIONAL PARKING MAN	24.11
	00184395	US BANK CORP PAYMENT SYS	INTERNATIONAL PARKING MAN	12.21
	00184395	US BANK CORP PAYMENT SYS	INTERNATIONAL PARKING MAN	9.77
<i>Org Key: CM1100 - Administration (CM)</i>				
	00184395	US BANK CORP PAYMENT SYS	MOS PIZZA - WA	95.09
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	28.90
	00184395	US BANK CORP PAYMENT SYS	INTERNATIONAL PARKING MAN	18.32
	00184395	US BANK CORP PAYMENT SYS	INTERNATIONAL PARKING MAN	15.87
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	15.56
	00184395	US BANK CORP PAYMENT SYS	INTERNATIONAL PARKING MAN	13.43
<i>Org Key: CM1200 - City Clerk</i>				
	00184395	US BANK CORP PAYMENT SYS	REPUBLIC PARKING 31-051	13.00
<i>Org Key: CM1300 - Sustainability</i>				
	00184395	US BANK CORP PAYMENT SYS	NORTHWEST ENVIRONMENTAL	195.00
	00184395	US BANK CORP PAYMENT SYS	BETTYMILLSC	109.96
<i>Org Key: CM1400 - Communications</i>				
	00184395	US BANK CORP PAYMENT SYS	CTC*CONSTANTCONTACT.COM	414.00
	00184395	US BANK CORP PAYMENT SYS	SURVEYMONKEY.COM	299.00
	00184395	US BANK CORP PAYMENT SYS	BACKUPIFY	4.99
<i>Org Key: CO6100 - City Council</i>				
	00184395	US BANK CORP PAYMENT SYS	PAGLIACCI MERCER ISLAND	170.74
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	4.99
<i>Org Key: CR1100 - CORe Admin and Human Resources</i>				
	00184395	US BANK CORP PAYMENT SYS	Assessment center assessor lun	337.35
	00184395	US BANK CORP PAYMENT SYS	CRAIGSLIST.ORG	135.00
	00184395	US BANK CORP PAYMENT SYS	CRAIGSLIST.ORG	90.00
	00184395	US BANK CORP PAYMENT SYS	CRAIGSLIST.ORG	90.00
	00184395	US BANK CORP PAYMENT SYS	Assessment center assessor lun	11.99
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	6.90
<i>Org Key: CT1100 - Municipal Court</i>				
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	115.88
<i>Org Key: DS0000 - Development Services-Revenue</i>				

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00184375	SHOOP, JOHN	PERMIT REFUND	40.00
<i>Org Key: DS1100 - Administration (DS)</i>				
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	171.70
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM	146.40
	00184395	US BANK CORP PAYMENT SYS	INGALLINA'S BOX LUNCH	105.01
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	70.50
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	69.06
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	57.16
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM AMZN.COM/BILL	54.60
	00184395	US BANK CORP PAYMENT SYS	MBP Merchant Fee	54.10
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	20.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	19.99
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	15.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	7.93
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	5.98
<i>Org Key: DS1200 - Bldg Plan Review &amp; Inspection</i>				
	00184395	US BANK CORP PAYMENT SYS	BLUEBEAM SOFTWARE, INC	393.00
	00184395	US BANK CORP PAYMENT SYS	IAPMO	259.88
	00184395	US BANK CORP PAYMENT SYS	BLUEBEAM SOFTWARE, INC	246.00
	00184395	US BANK CORP PAYMENT SYS	INT'L CODE COUNCIL INC	202.58
	00184395	US BANK CORP PAYMENT SYS	IAPMO	150.00
	00184395	US BANK CORP PAYMENT SYS	INT'L CODE COUNCIL INC	69.53
	00184359	DEPT OF ENTERPRISES SERVICES	BUSINESS CARDS OCT 2016	45.76
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	28.66
<i>Org Key: DS1300 - Land Use Planning Svc</i>				
	00184395	US BANK CORP PAYMENT SYS	AMERICAN PLANNING ASSOCI	260.00
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	186.21
	00184359	DEPT OF ENTERPRISES SERVICES	BUSINESS CARDS OCT 2016	45.76
<i>Org Key: FN1100 - Administration (FN)</i>				
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	169.76
<i>Org Key: FR1100 - Administration (FR)</i>				
	00184395	US BANK CORP PAYMENT SYS	CAMPBELLS LODGE	404.76
P92914	00184355	ASPECT SOFTWARE INC	Telestaff Monthly Maintenance	164.25
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	145.95
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	125.36
	00184395	US BANK CORP PAYMENT SYS	MICHAELS STORES 2038	82.07
	00184395	US BANK CORP PAYMENT SYS	WASHINGTON AWARDS INC	76.10
	00184395	US BANK CORP PAYMENT SYS	RITE AID STORE - 5197	64.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	56.95
	00184395	US BANK CORP PAYMENT SYS	UPS*1ZY54T85P193212920	48.96
	00184395	US BANK CORP PAYMENT SYS	REGISTER.COM*13206EF9J	48.00
	00184395	US BANK CORP PAYMENT SYS	THESTAMPMAKER	43.45
	00184395	US BANK CORP PAYMENT SYS	RITE AID STORE - 5197	34.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	29.99
	00184395	US BANK CORP PAYMENT SYS	PAYPAL *OMEGA PHOTO	21.62
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	20.00
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	20.00

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	20.00
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	17.47
	00184395	US BANK CORP PAYMENT SYS	RITE AID STORE - 5197	15.41
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	15.00
	00184395	US BANK CORP PAYMENT SYS	REGISTER.COM*132048D4J	14.00
	00184395	US BANK CORP PAYMENT SYS	SILERS DRY CLEANERS	12.42
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	7.98
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM	6.96
	00184395	US BANK CORP PAYMENT SYS	UPS*293A417018P	6.70
	00184395	US BANK CORP PAYMENT SYS	UPS*2929H4J78NM	6.70
	00184395	US BANK CORP PAYMENT SYS	PAYPAL *OMEGA PHOTO	-7.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	-28.99
<b>Org Key: GGM001 - General Government-Misc</b>				
	00184395	US BANK CORP PAYMENT SYS	PAGLIACCI MERCER ISLAND	178.41
	00184395	US BANK CORP PAYMENT SYS	PAGLIACCI MERCER ISLAND	79.48
	00184395	US BANK CORP PAYMENT SYS	BLUE LINE PIZZA - DALY	42.59
	00184395	US BANK CORP PAYMENT SYS	MR PICKLES SANDWICH SH	26.05
	00184395	US BANK CORP PAYMENT SYS	76 - DALY CITY 76	25.50
<b>Org Key: GGM004 - Gen Govt-Office Support</b>				
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	791.67
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	493.21
	00184359	DEPT OF ENTERPRISES SERVICES	WINDOW ENVELOPES	179.48
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	101.78
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	38.58
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	25.04
	00184395	US BANK CORP PAYMENT SYS	GEORGE PATTON ASSOCIAT	24.66
<b>Org Key: GGM005 - Genera Govt-LI Retiree Costs</b>				
	00184370	LEOFF HEALTH & WELFARE TRUST	DECEMBER 2016 RETIREES	3,943.22
<b>Org Key: GX9997 - Employee Benefits-Fire</b>				
	00184370	LEOFF HEALTH & WELFARE TRUST	DECEMBER 2016 AVTIVE	53,647.50
<b>Org Key: IS1100 - IGS Mapping</b>				
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	42.34
	00184395	US BANK CORP PAYMENT SYS	STARBUCKS STORE 03393	34.93
<b>Org Key: IS2100 - IGS Network Administration</b>				
	00184395	US BANK CORP PAYMENT SYS	DIGICERT INC	1,425.00
P89754	00184368	KING COUNTY FINANCE	I-NET MONTHLY SERVICES FROM	1,122.00
	00184395	US BANK CORP PAYMENT SYS	MICROSOFT - 6 BELLEVUE	656.98
	00184395	US BANK CORP PAYMENT SYS	SEMIAHMOO RESORT HOTEL	453.34
	00184395	US BANK CORP PAYMENT SYS	SEMIAHMOO RESORT HOTEL	447.54
	00184395	US BANK CORP PAYMENT SYS	OFFENSIVE SECURITY	250.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM AMZN.COM/BILL	131.39
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM AMZN.COM/BILL	104.01
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	98.94
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	42.70
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	34.95
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	31.68

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00184395	US BANK CORP PAYMENT SYS	MERCER ISLAND TRUE VALUE	29.54
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	10.69
	00184395	US BANK CORP PAYMENT SYS	QDOBA MEXICAN GRILL-390	10.62
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	4.96
	00184395	US BANK CORP PAYMENT SYS	AMAZON WEB SERVICES	0.56
<i>Org Key: MT2100 - Roadway Maintenance</i>				
P92902	00184363	ICE ALERT INC	EXPLANATORY SIGNS & UNIVERSAL	2,869.75
P85970	00184396	WEST COAST SIGNAL INC	ON CALL CONTRACT FOR STREETLIG	854.36
<i>Org Key: MT3100 - Water Distribution</i>				
	00184395	US BANK CORP PAYMENT SYS	BACKFLOW ASSEMBLY SERVICE	245.00
	00184395	US BANK CORP PAYMENT SYS	INGALLINA'S BOX LUNCH	99.29
	00184395	US BANK CORP PAYMENT SYS	CITY OF BELLEVUE	-50.00
<i>Org Key: MT3150 - Water Quality Event</i>				
	00184395	US BANK CORP PAYMENT SYS	ABC-NV	98.00
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	72.65
<i>Org Key: MT3200 - Water Pumps</i>				
	00184357	CENTURYLINK	PHONE USE NOV 2016	59.41
<i>Org Key: MT3300 - Water Associated Costs</i>				
	00184365	KELLEY, CHRIS M	MILEAGE EXPENSE	17.60
<i>Org Key: MT3400 - Sewer Collection</i>				
	00184395	US BANK CORP PAYMENT SYS	INGALLINA'S BOX LUNCH	99.29
	00184395	US BANK CORP PAYMENT SYS	INGALLINA'S BOX LUNCH	91.65
<i>Org Key: MT3800 - Storm Drainage</i>				
	00184395	US BANK CORP PAYMENT SYS	WSU PESTICIDE EDUCATION	120.00
<i>Org Key: MT4150 - Support Services - Clearing</i>				
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	203.18
	00184395	US BANK CORP PAYMENT SYS	MERCER ISLAND THRIFT S	3.01
<i>Org Key: MT4200 - Building Services</i>				
	00184395	US BANK CORP PAYMENT SYS	FASTSIGNS OF ISSAQUAH	54.75
	00184395	US BANK CORP PAYMENT SYS	THE HOME DEPOT #4711	50.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	34.75
	00184395	US BANK CORP PAYMENT SYS	THE HOME DEPOT #4711	34.68
	00184395	US BANK CORP PAYMENT SYS	THE HOME DEPOT #4711	25.49
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM AMZN.COM/BILL	10.94
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM AMZN.COM/BILL	10.94
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM AMZN.COM/BILL	10.94
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM AMZN.COM/BILL	10.94
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM	10.94
	00184395	US BANK CORP PAYMENT SYS	LOWES #00040*	7.63
	00184395	US BANK CORP PAYMENT SYS	THE HOME DEPOT #4711	-11.46
	00184395	US BANK CORP PAYMENT SYS	THE HOME DEPOT #4711	-16.40
<i>Org Key: MT4300 - Fleet Services</i>				
P88915	00184366	KIA MOTORS FINANCE	DSG 2016 KIA SOUL LEASE	263.96
	00184395	US BANK CORP PAYMENT SYS	GOOD2GO-INTERNET	5.00

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: MT4402 - Customer Response-Right-of-Way</i>				
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	93.99
<i>Org Key: PO1100 - Administration (PO)</i>				
	00184395	US BANK CORP PAYMENT SYS	GRANDVIEW ON THE LAKE	245.45
	00184362	HOLMES, EDWARD J	PER DIEM REIMB	104.90
	00184395	US BANK CORP PAYMENT SYS	Assessment center food items	96.33
	00184395	US BANK CORP PAYMENT SYS	THE UPS STORE 1081	90.24
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	52.08
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	20.00
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	20.00
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	15.00
<i>Org Key: PO1350 - Police Emergency Management</i>				
	00184395	US BANK CORP PAYMENT SYS	Citizen's Academy t-shirts	400.36
	00184395	US BANK CORP PAYMENT SYS	Pizza for EOC activation-wind	178.66
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	149.98
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	82.34
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM	67.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	9.82
<i>Org Key: PO1700 - Records and Property</i>				
	00184395	US BANK CORP PAYMENT SYS	Toaster for Records kitchen	32.37
<i>Org Key: PO2100 - Patrol Division</i>				
	00184395	US BANK CORP PAYMENT SYS	Uniform embroidery set up fee	372.30
	00184395	US BANK CORP PAYMENT SYS	Assessment center assessor lun	34.93
	00184395	US BANK CORP PAYMENT SYS	promotional testing assessment	17.47
<i>Org Key: PO3300 - School Resource Officer (CJ)</i>				
	00184395	US BANK CORP PAYMENT SYS	Training for Art Munoz	109.89
<i>Org Key: PO4100 - Training</i>				
	00184395	US BANK CORP PAYMENT SYS	Training in Gresham OR - Fuel	61.24
<i>Org Key: PO4200 - Training (CJ)</i>				
	00184395	US BANK CORP PAYMENT SYS	Training on new Personnel and	330.47
P92928	00184369	LEIRA	LEIRA - Public Disclosure Adva	100.00
<i>Org Key: PR1100 - Administration (PR)</i>				
	00184395	US BANK CORP PAYMENT SYS	LUMINOUS WORKS LLC	575.00
	00184395	US BANK CORP PAYMENT SYS	LUMINOUS WORKS LLC	575.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM AMZN.COM/BILL	563.90
	00184395	US BANK CORP PAYMENT SYS	COMPUTER AND PRINTER REP	147.83
	00184395	US BANK CORP PAYMENT SYS	EXPEDIA	146.80
	00184395	US BANK CORP PAYMENT SYS	VZWRLSS*MY VZ VW P	134.26
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM	109.45
	00184395	US BANK CORP PAYMENT SYS	HOMEGROWN MOTO	75.99
	00184395	US BANK CORP PAYMENT SYS	REGISTER.COM*131EB339J	62.00
	00184395	US BANK CORP PAYMENT SYS	CTC*CONSTANTCONTACT.COM	46.00
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	24.62
	00184359	DEPT OF ENTERPRISES SERVICES	BUSINESS CARDS OCT 2016	22.88

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00184395	US BANK CORP PAYMENT SYS	BOSTON PIZZA # 057	21.58
	00184395	US BANK CORP PAYMENT SYS	SAFEWAY FUEL 10014850	18.68
	00184395	US BANK CORP PAYMENT SYS	VZWRLSS*MY VZ VW P	15.80
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	15.00
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	15.00
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	15.00
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	15.00
	00184395	US BANK CORP PAYMENT SYS	76 - STARVIN SAMS 14	14.08
<b>Org Key: PR1500 - Urban Forest Management</b>				
	00184395	US BANK CORP PAYMENT SYS	OFFICE DEPOT #811	19.71
<b>Org Key: PR2100 - Recreation Programs</b>				
	00184395	US BANK CORP PAYMENT SYS	CLIPPER VACATIONS	650.00
	00184395	US BANK CORP PAYMENT SYS	RP *PARENTMAP	400.00
	00184395	US BANK CORP PAYMENT SYS	RP *PARENTMAP	350.00
	00184395	US BANK CORP PAYMENT SYS	CLIPPER VACATIONS	318.75
	00184395	US BANK CORP PAYMENT SYS	PAGLIACCI MERCER ISLAND	118.36
	00184395	US BANK CORP PAYMENT SYS	TARGET 00009969	106.94
	00184395	US BANK CORP PAYMENT SYS	SHELL OIL 57424192508	55.40
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	46.10
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	43.78
	00184395	US BANK CORP PAYMENT SYS	VICTORIA HARBOURS TOWE	32.95
	00184395	US BANK CORP PAYMENT SYS	WAL-MART #5939	30.12
	00184395	US BANK CORP PAYMENT SYS	ANIMOTO INC	30.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM AMZN.COM/BILL	27.90
	00184395	US BANK CORP PAYMENT SYS	LAUREL POINT INN	27.74
	00184395	US BANK CORP PAYMENT SYS	COAST VICTORIA HARBOUR	18.96
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	15.96
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	15.56
	00184395	US BANK CORP PAYMENT SYS	BUTCHART GARDENS COFFE	14.91
	00184395	US BANK CORP PAYMENT SYS	COAST VICTORIA HARBOUR	14.78
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	9.99
	00184395	US BANK CORP PAYMENT SYS	IRISH TIME PUB	9.45
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	8.94
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM AMZN.COM/BILL	3.27
	00184395	US BANK CORP PAYMENT SYS	CLIPPER VACATIONS	-440.00
<b>Org Key: PR2101 - Youth and Teen Camps</b>				
	00184395	US BANK CORP PAYMENT SYS	SAHARA PIZZA	99.46
	00184395	US BANK CORP PAYMENT SYS	COSTCO WHSE #0110	95.10
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	70.09
	00184395	US BANK CORP PAYMENT SYS	SAHARA PIZZA	69.19
	00184395	US BANK CORP PAYMENT SYS	TARGET 00003392	64.35
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	36.91
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	5.00
<b>Org Key: PR2108 - Health and Fitness</b>				
	00184395	US BANK CORP PAYMENT SYS	MARSHALLS #0221	38.59
	00184395	US BANK CORP PAYMENT SYS	ANGELOS-BELLEVUE	22.00
	00184395	US BANK CORP PAYMENT SYS	ANGELOS-BELLEVUE	22.00
	00184395	US BANK CORP PAYMENT SYS	FOSTER GOLF LINKS	18.00

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00184395	US BANK CORP PAYMENT SYS	AUBURN GOLF COURSE	16.00
<i>Org Key: PR3500 - Senior Services</i>				
	00184395	US BANK CORP PAYMENT SYS	SQ *SHAWN'S CATERING, LLC	455.37
	00184395	US BANK CORP PAYMENT SYS	SQ *SHAWN'S CATERING, LLC	425.65
	00184395	US BANK CORP PAYMENT SYS	SQ *SHAWN'S CATERING, LLC	424.48
	00184395	US BANK CORP PAYMENT SYS	SQ *SHAWN'S CATERING, LLC	397.97
	00184395	US BANK CORP PAYMENT SYS	SQ *SHAWN'S CATERING, LLC	353.78
	00184395	US BANK CORP PAYMENT SYS	SQ *SHAWN'S CATERING, LLC	76.65
	00184395	US BANK CORP PAYMENT SYS	MICHAELS STORES 2038	51.88
	00184395	US BANK CORP PAYMENT SYS	PAY-LESS FOODS	45.91
	00184395	US BANK CORP PAYMENT SYS	COSTCO WHSE #0001	41.17
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM	35.20
	00184395	US BANK CORP PAYMENT SYS	COSTCO WHSE #0001	31.90
	00184395	US BANK CORP PAYMENT SYS	WALGREENS #3733	27.85
	00184395	US BANK CORP PAYMENT SYS	PRAIRIE CTR GROCER	22.92
	00184359	DEPT OF ENTERPRISES SERVICES	BUSINESS CARDS OCT 2016	22.88
	00184395	US BANK CORP PAYMENT SYS	COSTCO WHSE #0001	19.50
	00184395	US BANK CORP PAYMENT SYS	ACE FREELAND HOME	15.41
	00184395	US BANK CORP PAYMENT SYS	MERCER ISLAND TRUE VALUE	10.35
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	9.74
	00184395	US BANK CORP PAYMENT SYS	MICHAELS STORES 2038	-21.30
<i>Org Key: PR4100 - Community Center</i>				
	00184395	US BANK CORP PAYMENT SYS	COSTCO WHSE #0110	1,215.41
	00184395	US BANK CORP PAYMENT SYS	DISCOUNTMUGS.COM	450.40
	00184395	US BANK CORP PAYMENT SYS	GEORGE PATTON ASSOCIAT	142.68
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	138.00
	00184395	US BANK CORP PAYMENT SYS	IKEA HOME SHOPPING	114.84
	00184395	US BANK CORP PAYMENT SYS	MICROSOFT *STORE	87.59
	00184395	US BANK CORP PAYMENT SYS	AV NOW INC	69.99
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	60.55
	00184395	US BANK CORP PAYMENT SYS	WWW.ISTOCK.COM	60.00
	00184395	US BANK CORP PAYMENT SYS	WW GRAINGER	47.67
	00184395	US BANK CORP PAYMENT SYS	WW GRAINGER	46.45
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM	43.02
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	40.99
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	39.74
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	38.86
	00184395	US BANK CORP PAYMENT SYS	IRIS WINDOW COVERINGS	32.85
	00184395	US BANK CORP PAYMENT SYS	NORI PRESTO TERIYAKI	22.97
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	21.40
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	20.63
	00184395	US BANK CORP PAYMENT SYS	VERTICALRESPONSE INC	18.08
P92958	00184361	GRAINGER	KRUD KUTTER CLEANER	17.20
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	12.69
	00184395	US BANK CORP PAYMENT SYS	HALLOWEEN CITY #8293	12.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	10.80
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	5.60
	00184395	US BANK CORP PAYMENT SYS	USPS PO 5453060253	4.40



**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
<i>Org Key: PR5400 - Gallery Program</i>				
	00184395	US BANK CORP PAYMENT SYS	INGALLINA'S BOX LUNCH	66.10
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	35.50
	00184395	US BANK CORP PAYMENT SYS	TARGET 00006379	21.52
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	21.51
<i>Org Key: PR5700 - Special Programs</i>				
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	-58.82
<i>Org Key: PR6100 - Park Maintenance</i>				
	00184374	PUGET SOUND ENERGY	ENERGY USE NOV 2016	8.96
<i>Org Key: PR6200 - Athletic Field Maintenance</i>				
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	189.00
	00184395	US BANK CORP PAYMENT SYS	COSTCO WHSE #0001	55.74
	00184395	US BANK CORP PAYMENT SYS	COSTCO WHSE #0001	-27.87
<i>Org Key: PR6700 - I90 Park Maintenance</i>				
	00184395	US BANK CORP PAYMENT SYS	RAINMASTER	19.94
<i>Org Key: PR6800 - Trails Maintenance</i>				
	00184395	US BANK CORP PAYMENT SYS	INTL SOC ARBORICULTURE	100.00
<i>Org Key: WG105R - Community Center Bldg Repairs</i>				
P92973	00184376	STUDIO ECTYPOS	COMM CNTR STORAGE ADDITION DES	2,990.00
<i>Org Key: WG141E - MICEC Equipment Replacement</i>				
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	17,352.47
<i>Org Key: WP122R - Vegetation Management</i>				
	00184395	US BANK CORP PAYMENT SYS	KINGCD	764.77
	00184395	US BANK CORP PAYMENT SYS	INTL SOC ARBORICULTURE	275.00
	00184395	US BANK CORP PAYMENT SYS	SEATTLE METER PARKING	4.50
<i>Org Key: WP720R - Recurring Park Projects</i>				
P92845	00184356	CALPORTLAND COMPANY	#4 X DUST (32.75 TONS)	880.40
<i>Org Key: XG150T - Small Tech/Equipment</i>				
	00184395	US BANK CORP PAYMENT SYS	PELICAN PRODUCTS INC	187.04
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	104.61
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	19.95
	00184395	US BANK CORP PAYMENT SYS	PELICAN PRODUCTS INC	19.85
<i>Org Key: YF1100 - YFS General Services</i>				
	00184395	US BANK CORP PAYMENT SYS	KING COUNTY DISPUTE RESOL	750.00
	00184395	US BANK CORP PAYMENT SYS	COSTCO WHSE #0110	212.45
	00184395	US BANK CORP PAYMENT SYS	DOLLY	193.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM	188.61
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM	188.61
	00184395	US BANK CORP PAYMENT SYS	COMPUTER AND PRINTER REP	147.82
	00184358	COMPLETE OFFICE	OFFICE SUPPLIES OCT 2016	102.11
	00184359	DEPT OF ENTERPRISES SERVICES	BUSINESS CARDS OCT 2016	91.58
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM AMZN.COM/BILL	64.05
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM	55.32

**Accounts Payable Report by GL Key**

PO #	Check #	Vendor:	Transaction Description	Check Amount
	00184395	US BANK CORP PAYMENT SYS	OFFICE DEPOT #819	50.66
	00184395	US BANK CORP PAYMENT SYS	AMAZON.COM AMZN.COM/BILL	37.12
	00184395	US BANK CORP PAYMENT SYS	5 BLUE SKY CLEANERS	35.66
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	20.00
	00184395	US BANK CORP PAYMENT SYS	SQ *MERCER ISLAND ROTARY	15.00
	00184395	US BANK CORP PAYMENT SYS	REGISTER.COM*131FA0D0J	14.00
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	13.99
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	13.02
<b>Org Key: YF1200 - Thrift Shop</b>				
	00184395	US BANK CORP PAYMENT SYS	COSTCO *BUS DELIV 115	430.47
	00184395	US BANK CORP PAYMENT SYS	IN *TRAINERS TOOLCHEST LL	330.95
	00184395	US BANK CORP PAYMENT SYS	COSTCO WHSE #0110	262.73
	00184372	PHILEN, SUZANNE	ANNIVERSARY SALE SUPPLIES	185.78
	00184395	US BANK CORP PAYMENT SYS	NORTHWEST WHOLESALE FL	169.25
	00184395	US BANK CORP PAYMENT SYS	AMAZONPRIME MEMBERSHIP	108.41
	00184395	US BANK CORP PAYMENT SYS	AMAZON MKTPLACE PMTS	104.50
	00184395	US BANK CORP PAYMENT SYS	STORE SUPPLY	58.06
	00184371	PANGHORN, JIM	WATCH BATTERIES	53.89
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	35.02
	00184395	US BANK CORP PAYMENT SYS	MOOD PANDORA	29.51
	00184395	US BANK CORP PAYMENT SYS	STK*SHUTTERSTOCK, INC.	29.00
	00184395	US BANK CORP PAYMENT SYS	INSTOCKLABELSCOM	26.90
	00184395	US BANK CORP PAYMENT SYS	AMAZONPRIME MEMBERSHIP	12.03
	00184395	US BANK CORP PAYMENT SYS	AMAZONPRIME MEMBERSHIP	-12.03
<b>Org Key: YF2100 - School/City Partnership</b>				
	00184395	US BANK CORP PAYMENT SYS	THINK SOCIAL PUBLISHING	392.00
	00184395	US BANK CORP PAYMENT SYS	SOUNDS TRUE INC.	197.00
<b>Org Key: YF2500 - Family Counseling</b>				
	00184395	US BANK CORP PAYMENT SYS	THINK SOCIAL PUBLISHING	196.00
<b>Org Key: YF2600 - Family Assistance</b>				
	00184395	US BANK CORP PAYMENT SYS	WA DEPARTMENT OF HEALTH	172.00
	00184395	US BANK CORP PAYMENT SYS	AMBETTER	121.13
	00184395	US BANK CORP PAYMENT SYS	CHEVRON 0356816	100.00
	00184395	US BANK CORP PAYMENT SYS	CHEVRON 0356816	50.00
	00184395	US BANK CORP PAYMENT SYS	QFC #5839	15.00
<b>Org Key: YF2800 - Fed Drug Free Communities Gran</b>				
	00184395	US BANK CORP PAYMENT SYS	CTC*CONSTANTCONTACT.COM	79.94
	00184395	US BANK CORP PAYMENT SYS	EIG*HOMESTEAD	21.99
Total				123,954.53



# CITY OF MERCER ISLAND CERTIFICATION OF PAYROLL

**PAYROLL PERIOD ENDING**

**11/18/2016**

**PAYROLL DATED**

**11/23/2016**

Net Cash	\$	493,457.92
Net Voids/Manuals	\$	63,141.67
<b>Net Total</b>	<b>\$</b>	<b>556,599.59</b>
Federal Tax Deposit - Key Bank	\$	101,836.50
Social Security and Medicare Taxes	\$	39,888.85
Medicare Taxes Only (Fire Fighter Employees)	\$	2,163.24
Public Employees Retirement System 1 (PERS 1)	\$	-
Public Employees Retirement System 2 (PERS 2)	\$	24,042.09
Public Employees Retirement System 3 (PERS 3)	\$	6,051.78
Public Employees Retirement System (PERSJM)	\$	603.36
Public Safety Employees Retirement System (PSERS)	\$	176.89
Law Enforc. & Fire fighters System 2 (LEOFF 2)	\$	25,771.05
Regence & LEOFF Trust - Medical Insurance	\$	15,453.29
Domestic Partner/Overage Dependand - Insurance	\$	1,425.15
Group Health Medical Insurance	\$	1,005.95
Health Care - Flexible Spending Accounts	\$	2,614.11
Dependent Care - Flexible Spending Accounts	\$	2,325.45
United Way	\$	110.00
ICMA Deferred Compensation	\$	32,713.62
Fire 457 Nationwide	\$	5,306.00
Roth - ICMA	\$	50.00
Roth - Nationwide	\$	310.00
401K Deferred Comp	\$	-
Garnishments (Chapter 13)	\$	1,331.00
Child Support	\$	852.57
Mercer Island Employee Associationa	\$	136.25
Cities & Towns/AFSCME Union Dues	\$	2,372.00
Police Union Dues	\$	2,510.20
Fire Union Dues	\$	1,933.80
Fire Union - Supplemental Dues	\$	155.00
Standard - Supplemental Life Insurance	\$	327.30
Unum - Long Term Care Insurance	\$	972.50
AFLAC - Supplemental Insurance Plans	\$	665.70
Coffee Fund	\$	72.00
Transportation	\$	123.00
Miscellaneous	\$	133.25
<b>Tax &amp; Benefit Obligations Total</b>	<b>\$</b>	<b>273,431.90</b>

<b>TOTAL GROSS PAYROLL</b>	<b>\$ 830,031.49</b>
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I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Mercer Island, and that I am authorized to authenticate and certify to said claim.

*Charles L. Corder*

Finance Director

I, the undersigned, do hereby certify that the City Council has reviewed the documentation supporting claims paid and approved all checks or warrants issued in payment of claims.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date



**CITY COUNCIL MINUTES  
SPECIAL MEETING  
NOVEMBER 29, 2016**

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**CALL TO ORDER & ROLL CALL**

Mayor Bruce Bassett called the Special Meeting to order at 9:00 am at City Hall, 9611 SE 36<sup>th</sup> Street, Mercer Island, Washington.

Mayor Bruce Bassett and Councilmember Dan Grausz were present. Deputy Mayor Debbie Bertlin, and Councilmembers Jeff Sanderson (left 10:19 am), Wendy Weiker (left 9:50 am), Dave Wisenteiner (left 9:40 am), and Benson Wong (left 9:58 am) participated by phone.

**SPECIAL BUSINESS**

**Executive Session to discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes**

At 9:01 am, Mayor Bassett convened the Executive Session to discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for approximately 90 minutes.

At 10:20 am, Mayor Bassett adjourned the Executive Session.

**ADJOURNMENT**

The Special Meeting adjourned at 10:20 am.

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Bruce Bassett, Mayor

Attest:

---

Allison Spietz, City Clerk



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

**AB 5239  
December 5, 2016  
Regular Business**

**2017-2018 FINAL BUDGET ADOPTION**

**Proposed Council Action:**

Adopt Ordinance No. 16-17, which encompasses the 2017-2018 Budget.

<b>DEPARTMENT OF</b>	Finance (Chip Corder)
<b>COUNCIL LIAISON</b>	n/a
<b>EXHIBITS</b>	1. Ordinance No. 16-17 (2017-2018 Budget)
<b>APPROVED BY CITY MANAGER</b>	

<b>AMOUNT OF EXPENDITURE</b>	\$ 129,054,860
<b>AMOUNT BUDGETED</b>	\$
<b>APPROPRIATION REQUIRED</b>	\$ 129,054,860

**SUMMARY**

**Council Decisions/Direction Regarding 2017-2018 Preliminary Budget**

***Capital Budget***

- No changes were made to the 2017-2022 Preliminary CIP.
- Staff will return to the Council in March/April 2017 to provide an update on the traffic level of service along the SE 40<sup>th</sup> Street Corridor as a result of the new elementary school opening in August 2016. At that time, a decision will be made regarding what changes, if any, should be made to the West Leg and East Leg projects in 2017-2018.

***Operating Budget***

- The Council approved all service packages in the Preliminary Budget except for the:
  - Communications Assistant (0.5 FTE): \$54,828 in 2018 (General Fund)
  - Youth Development Coordinator (0.5 FTE): \$49,541 in 2018 (Youth & Family Services Fund)
- While approving the Public Outreach on DSG Projects service package (\$85,000), the Council directed staff to hold off on spending the \$40,000 budgeted in 2018 until the Council takes a comprehensive look at public communication/outreach/engagement at its February 2017 Planning Session, which will encompass the following: 1) the City's current communication efforts; 2) the anticipated communication needs in 2017-2018; 3) redesigning the City's website; and 4) utilizing an electronic tool for public engagement.
- The Council directed staff to increase the City's annual affordable housing contribution to ARCH from \$20,000 to \$64,000 in 2017 and to \$96,000 in 2018.
- The Council directed staff to budget \$400,000 for I-90 loss of mobility negotiations in 2017. In addition, the Council directed staff to increase the 2016 budget for I-90 loss of mobility negotiations

by \$75,000 (this will be included in a budget amending ordinance as part of the Third Quarter 2016 Financial Status Report, which will be presented to the Council on December 5, 2016).

- The Council directed staff to provide a full briefing on compensated absences at the February 2017 Planning Session. The Council is interested in identifying ways to better manage this General Fund liability, which is \$1.25 million as of December 31, 2015.
- The Council directed staff to dedicate some portion of a contract Administrative Assistant in DSG to code enforcement support, ensuring that there is no budgetary or total staffing impact. This contract position is included in the Continuation of DSG Contract Permitting Staff service package. Allocating Administrative Assistant hours to Code Enforcement will result in an increasing backlog of document management work critical to complying with legal records retention requirements. DSG staff has been trying to catch up with nearly 4 years of permits and has made some progress during 2016. After working through details of how this can be accomplished, DSG will brief the Council on its revised staffing plan at the February 2017 Planning Session. In addition, the topic of code enforcement, including needed code revisions, will be explored at the February 2017 Planning Session.
- All of the utility rates adopted by the Council on November 21, 2016 were consistent with what was reflected in the 2017-2018 Preliminary Budget except for the water rates, which will increase 5.5 percent instead of 6.0 percent.

### **Changes to Preliminary Budget**

Council-directed changes and staff changes to the 2017-2018 Preliminary Budget and to 2016 estimated revenues and expenditures are summarized on the following pages for the General Fund, Youth & Family Services Fund, Contingency Fund, and Water Fund.

## General Fund

Revenue & Expenditure Changes	2016	2017	2018
<b>Revised revenue estimates by staff:</b>			
Appropriated beginning fund balance (available 2015 surplus)	+75,000		
Construction sales tax	+135,000		
Property tax (new construction)		+63,878	+68,401
Electric/gas utility tax	-39,000	-41,000	-42,000
King County EMS levy		+4,853	+7,192
Development fees (excluding fire permit fees)	-14,900	+383,000	+159,000
Fire permit fees	+30,000	+68,800	+58,800
<b>Total revenue increases</b>	<b>186,100</b>	<b>479,531</b>	<b>251,393</b>
<b>Expenditure Changes by Council:</b>			
I-90 loss of mobility negotiations	+75,000	+400,000	
Increase affordable housing contribution to ARCH		+44,000	+76,000
Delete Communications Assistant service package			-54,828
<b>Expenditure Changes by Staff:</b>			
Fire Marshal overtime (correction to estimates)	+79,000	+16,100	+8,174
Reduce certain Non-Departmental expenditure estimates	-63,000		
Fund Solid Waste Contract Audit service package out of base budget		-15,000	
<b>Total expenditure increases</b>	<b>91,000</b>	<b>445,100</b>	<b>29,346</b>
<b>Net funding (revenues - expenditures)</b>	<b>95,100</b>	<b>34,431</b>	<b>222,047</b>
Less increase in DSG technology fees (reserved)	-11,000	-13,000	-9,000
<b>Net funding to apply to 2018 projected deficit</b>	<b>84,100</b>	<b>21,431</b>	<b>213,047</b>

The table above includes two changes from what was presented to the Council on November 21, 2016 in AB 5231, resulting in a \$42,000 increase in net funding:

- The \$75,000 budget increase in 2016 for I-90 loss of mobility negotiations will be funded by available 2015 General Fund surplus rather than 2016 General Fund surplus.
- The revised development fee estimates in 2016-2018 included a \$33,000 increase in DSG technology fees, which are reserved for specific purposes and which must be backed out of the net funding amount for each year.

The total net funding amount is \$351,578. Backing out the \$33,000 in DSG technology fees leaves \$318,578 in one-time funding that can be applied to the 2018 projected deficit in the General Fund.

**Youth & Family Services Fund**

Expenditure Changes	2016	2017	2018
<b>Expenditure Changes by Council:</b>			
Delete Youth Development Coordinator service package			-49,541
<b>Total expenditure decreases</b>	<b>0</b>	<b>0</b>	<b>-49,541</b>
<b>Net funding to apply to 2018 projected deficit</b>	<b>0</b>	<b>0</b>	<b>49,541</b>

**Contingency Fund**

Expenditure Changes	2016	2017	2018
<b>Expenditure Changes by Council:</b>			
Balance General Fund budget in 2018 using a “contra” rather than budgeting for an interfund transfer from the Contingency Fund			-823,773
Balance YFS Fund budget in 2018 using a “contra” rather than budgeting for an interfund transfer from the Contingency Fund			-393,427
<b>Total expenditure decreases</b>	<b>0</b>	<b>0</b>	<b>-1,217,200</b>

**Water Fund**

Revenue Changes	2016	2017	2018
<b>Revenue Changes by Council:</b>			
Reduce water rate increase from 6.0% (per 2017-2018 Preliminary Budget) to 5.5% in 2017 (adopted by Council on 11/21/16) and 2018 (assumed to be the same as 2017 based on smoothed rate increase forecast by staff)		-31,992	-66,986
Reduce water utility tax transferred in from General Fund per change in water rate increase from 6.0% to 5.5% in 2017-2018		-544	-1,138
<b>Total revenue decreases</b>	<b>0</b>	<b>-32,536</b>	<b>-68,124</b>

**Updated Deficit Summary (“Contra”)**

Fund	2018
<b>General Fund:</b>	
Projected deficit per Preliminary Budget	-823,773
Net funding applied to projected deficit	318,578
<b>Revised projected deficit</b>	<b>-505,195</b>
<b>Youth &amp; Family Services Fund:</b>	
Projected deficit per Preliminary Budget	-393,427
Net funding applied to projected deficit	49,541
<b>Revised projected deficit</b>	<b>-343,886</b>
<b>Total revised projected deficit (“contra”)</b>	<b>-849,081</b>



Per the Preliminary Budget, the combined projected 2018 deficits in the General Fund and Youth & Family Services Fund amounted to \$1,217,200. This is the total “contra” amount that was identified at the October 17, 2016 Council meeting. **Applying the total net funding noted above to the \$1,217,200 reduces the total projected deficit (or “contra”) to \$849,081, which equates to 2.6 percent of the combined General Fund and Youth & Family Services Fund budgets in 2018.**

The 2017-2018 Final Budget ordinance, which incorporates all of the revenue and expenditure changes noted above, is attached as Exhibit 1.

## RECOMMENDATION

*Finance Director*

- MOVE TO:
1. Suspend the City Council Rules of Procedure 5.2, requiring a second reading for an ordinance.
  2. Adopt Ordinance No. 16-17, which encompasses the biennial budget for the City of Mercer Island, Washington for fiscal years 2017-2018.

**CITY OF MERCER ISLAND  
ORDINANCE NO. 16-17**

**AN ORDINANCE ADOPTING A BUDGET FOR THE CITY OF  
MERCER ISLAND, WASHINGTON FOR THE YEARS 2017-2018  
AND SETTING FORTH IN SUMMARY FORM THE BIENNIAL  
TOTALS OF ESTIMATED REVENUES AND EXPENDITURES  
FOR EACH FUND.**

**WHEREAS**, State law, Chapter 35A.33 RCW requires the City to adopt a biennial budget and provides procedures for the filing of an adopted budget, deliberations, public hearings, and final fixing of the budget; and,

**WHEREAS**, a preliminary budget for the 2017-2018 biennium has been prepared and filed with the City Clerk as required by law; and

**WHEREAS**, public hearings have been held for the purposes of fixing the final budget, and the City Council has deliberated and made adjustments and changes deemed necessary and proper;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND DO ORDAIN AS FOLLOWS:

**Section 1. 2017-2018 Budget Adoption**

The 2017-2018 Final Budget for the City of Mercer Island, covering the period from January 1, 2017 through December 31, 2018, is hereby adopted. A copy of said budget will be on file with the City Clerk by January 31, 2017 and, by this reference, is hereby incorporated herein as if set forth in full.

**Section 2. Summary of Revenues and Expenditures**

The biennial totals of estimated revenues, including appropriated beginning fund balances, and expenditures for each separate fund are set forth in the table on the next page, and are hereby appropriated for the 2017-2018 biennium:

<b>Fund No.</b>	<b>Description</b>	<b>2017-2018 Revenues</b>	<b>2017-2018 Expenditures</b>
001	General Fund	\$ 59,071,162	\$ 58,849,162
037	Self Insurance Fund	20,000	20,000
061	Youth Service Endowment Fund	1,000	1,000
	<b>Subtotal General Purpose Funds</b>	<b>\$ 59,092,162</b>	<b>\$ 58,870,162</b>
104	Street Fund	\$ 6,184,205	\$ 6,184,205
108	Transportation Benefit District	700,000	700,000
112	Criminal Justice Fund	1,488,250	1,222,163
117	Beautification Fund	2,331,502	1,906,729
130	Contingency Fund	50,000	-
140	1% For the Arts Fund	35,000	30,000
160	Youth and Family Services Fund	5,212,969	5,192,969
	<b>Subtotal Special Revenue Funds</b>	<b>\$ 16,001,926</b>	<b>\$ 15,236,066</b>
208	Bond Redemption (Voted)	\$ -	\$ -
239	Bond Redemption (Non-Voted)	1,858,258	1,858,258
	<b>Subtotal Debt Service Funds</b>	<b>\$ 1,858,258</b>	<b>\$ 1,858,258</b>
343	Capital Improvement Fund	\$ 8,165,704	\$ 8,165,704
345	Technology and Equipment Fund	1,463,000	1,463,000
347	Fire Station 92 Construction	-	-
350	Capital Reserve Fund	-	-
	<b>Subtotal Capital Project Funds</b>	<b>\$ 9,628,704</b>	<b>\$ 9,628,704</b>
402	Water Fund	\$ 14,616,472	\$ 14,563,896
426	Sewer Fund	18,557,067	18,351,106
432	Storm Water Fund	4,623,882	4,509,268
	<b>Subtotal Enterprise Funds</b>	<b>\$ 37,797,421</b>	<b>\$ 37,424,270</b>
503	Equipment Rental Fund	\$ 4,952,358	\$ 3,798,281
520	Computer Equipment Fund	2,369,238	2,039,119
	<b>Subtotal Internal Service Funds</b>	<b>\$ 7,321,596</b>	<b>\$ 5,837,400</b>
606	Firemen's Pension Fund	\$ 200,000	\$ 200,000
	<b>Subtotal Trust Funds</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>
<b>TOTALS</b>		<b>\$131,900,067</b>	<b>\$129,054,860</b>

**Section 3. Budget Policies**

The Budget Policies as included in the 2017-2018 Final Budget are hereby approved and incorporated herein by reference.

**Section 4. Capital Improvement Projects**

The Capital Improvement Projects nominated for 2017-2018 and described in detail in the Capital Improvement Program section of the 2017-2018 Final Budget are hereby approved as presented.

**Section 5. Filing of Ordinance**

A complete copy of the 2017-2018 Final Budget, as adopted, together with a certified copy of the adopting ordinance shall be transmitted by the City Clerk to the Division of Municipal Corporations of the office of the State Auditor and to the Association of Washington Cities.

**Section 6. Severability.**

If any section, sentence, clause or phrase of this ordinance be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

**Section 7. Effective Date**

This ordinance shall take effect five days after passage and publication in the official newspaper of the City as required by law.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AT ITS REGULAR MEETING ON THE 5<sup>TH</sup> DAY OF DECEMBER, 2016.

CITY OF MERCER ISLAND

\_\_\_\_\_  
Bruce Bassett, Mayor

Approved as to Form:

ATTEST:

\_\_\_\_\_  
Allison Spietz, City Clerk

\_\_\_\_\_  
Kari Sand, City Attorney

Date of Publication: \_\_\_\_\_



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

**AB 5238  
December 5, 2016  
Regular Business**

**THIRD QUARTER 2016 FINANCIAL STATUS  
REPORT & 2016 BUDGET ADJUSTMENTS**

**Proposed Council Action:**

Receive report and adopt Ordinance No. 16-16,  
amending the 2015-2016 Budget.

**DEPARTMENT OF**

Finance (Chip Corder)

**COUNCIL LIAISON**

n/a

**EXHIBITS**

1. Third Quarter 2016 Financial Status Report
2. Ordinance No. 16-16 (amends 2015-2016 Budget)

**APPROVED BY CITY MANAGER**

<b>AMOUNT OF EXPENDITURE</b>	\$	978,980
<b>AMOUNT BUDGETED</b>	\$	
<b>APPROPRIATION REQUIRED</b>	\$	978,980

**SUMMARY**

The Third Quarter 2016 Financial Status Report is attached as Exhibit 1. In addition, an ordinance amending the 2015-2016 Budget is attached as Exhibit 2, which constitutes financial “housekeeping.” Accordingly, the Finance Director recommends that the procedural requirement for a second reading be suspended and that the ordinance be adopted on December 5, 2016.

The key takeaway items from the Third Quarter 2016 Financial Status Report include the following:

- Total General Fund revenues are projected to be \$1.20 million, or 4.3 percent, more than what is budgeted in 2016 due to stronger than expected development activity on the Island. **All of the \$1.20 million represents temporary spikes in construction-related sales tax and development fees.**
- Total General Fund expenditures, including carryovers for purchases and services not completed by year-end, are projected to be \$150,000, or 0.5 percent, under budget in 2016.
- Taken together, the total General Fund surplus in 2016 is projected to be \$1.35 million; however, it is estimated that \$550,000-\$600,000 of the projected surplus relates to development fees, which are restricted to funding development services.
- Comparing 2016 to 2015, total General Fund revenues are up \$1.19 million, or 6.3 percent, through the third quarter of 2016 primarily due to the following:
  - \$513,250, or 16.8 percent, increase in sales tax;
  - \$328,513, or 12.1 percent, increase in licenses, permits & zoning fees;
  - \$267,538, or 4.2 percent, increase in property tax; and
  - \$54,739, or 20.1 percent, increase in intergovernmental revenues.

- Utility taxes, which make up 15 percent of total General Fund revenues, are down 0.1 percent through the third quarter of 2016 primarily due to the net effect of the following:
  - 1.1 percent increase in electricity/gas utility tax;
  - 2.7 percent increase in water, sewer, and storm water utility taxes; and
  - 10.3 percent decrease in cellular utility tax.
  
- Excluding the \$109,395 significant, one-time receipt from a non-classified business in 2015, sales tax is up 21.1 percent in 2016 primarily due to the following:
  - \$458,773, or 32.4 percent, increase in the construction sector, which makes up 52.4 percent of the City's total sales tax receipts; and
  - \$75,265, or 33.8 percent, increase in all other sectors, which makes up 21.8 percent of the City's total sales tax receipts.
  
- The 12.1 percent increase in licenses, permits, and zoning fees is due to the high level of development activity on the Island. Looking at single family residential development, the total number of building permits issued and total building valuation are up 18.6 percent and 49.2 percent respectively through the third quarter of 2016, representing a record high level of activity.
  
- Real estate excise tax is up \$406,822, or 15.6 percent, through the third quarter of 2016 due to the sale of 77 Central in the Town Center, which generated over \$479,000 in REET. Of concern are the number of sales, which are down 12.0 percent. Partially offsetting that decrease is a 10.3 percent increase in the average sales price, which is now \$1.32 million.

The budget adjustments are summarized in Exhibit 2, pp.18-19.

## RECOMMENDATION

*Finance Director*

- MOVE TO:
1. Suspend the City Council Rules of Procedure 5.2, requiring a second reading for an ordinance.
  
  2. Adopt Ordinance No. 16-16, amending the 2015-2016 Budget.

*City of Mercer Island*  
**FINANCIAL STATUS REPORT**  
**Third Quarter 2016**

**FOREWORD**

The Financial Status Report provides a summary budget to actual comparison of revenues and expenditures for the General Fund (four times a year) and all other funds (twice a year) through the end of the most recently completed fiscal quarter. Revenue and expenditure comparisons are also made to the same period in the prior year. In addition, a comprehensive progress update on the City's Capital Improvement Program (CIP) is included twice a year in the second and fourth quarter reports. A separate fund balance analysis for every fund is included annually in the fourth quarter report as well. Finally, if needed, budget adjustments are identified in a separate section of this report, along with a budget amending ordinance.

This report is comprised of the following five sections:

- General Fund
- Utility Funds
- All Other Funds
- Capital Improvement Program
- Budget Adjustments

It should be noted that, where significant, revenues are recognized when earned, regardless of when cash is received, and expenditures are recognized when a liability has been incurred or when resources have been transferred to another fund. Also, in the case of the General Fund, the beginning fund balance, which corresponds to the Council approved "cash carryover" of net excess resources from the prior year, is separately identified.

## GENERAL FUND

The General Fund ended the third quarter of 2016 with total revenues at 72.1 percent of budget relative to a revenue target of 67.0 percent and total expenditures at 72.9 percent of budget relative to an expenditure target of 75.0 percent. **Looking forward, total revenues are projected to be \$1.20 million, or 4.3 percent, more than what is budgeted in 2016 due to stronger than expected development activity on the Island. All of the \$1.20 million represents temporary spikes in construction-related sales tax and development fees. In addition, total expenditures, including carryovers for purchases and services not completed by year-end, are projected to be \$150,000, or 0.5 percent, under budget in 2016.** Taken together, the total surplus is projected to be \$1.35 million; however, it is estimated that \$550,000-\$600,000 of the projected surplus relates to development fees, which are restricted to funding development services.

### Revenues

Comparing total actual to total budgeted revenues (i.e. excluding Beginning Fund Balance and Transfer from Other Funds) through the third quarter of the year, **the General Fund is 72.1 percent of budget in 2016 versus 69.2 percent of budget in 2015, which is significantly above the 67.0 percent revenue target.** The reason that the revenue target is 67.0 percent instead of 75.0 percent (which corresponds to three quarters of the fiscal year) is because property tax, which comprises 42 percent of budgeted revenues in 2016, is mostly distributed to cities in April/May and October/November. The following table compares actual to budgeted revenues as of September 30, 2015 and 2016.

**GENERAL FUND: Revenues  
As of September 30, 2015 and 2016**

Revenue Category	Actuals			Budget		% of Budget	
	9/30/15	9/30/16	% Chg	2015	2016	2015	2016
Property Tax	6,338,871	6,606,409	4.2%	11,397,830	11,585,339	55.6%	57.0%
Utility Taxes	3,089,345	3,087,536	-0.1%	4,461,100	4,632,350	69.3%	66.7%
Sales Tax	3,063,228	3,576,478	16.8%	3,487,000	3,731,000	87.8%	95.9%
Licenses, Permits & Zoning Fees	2,705,619	3,034,132	12.1%	3,003,500	2,921,500	90.1%	103.9%
Recreation Program Fees	1,265,292	1,267,060	0.1%	1,627,331	1,639,095	77.8%	77.3%
EMS Levy & Charges for Service	946,491	963,551	1.8%	1,231,735	1,302,007	76.8%	74.0%
Intergovernmental Revenues	272,692	327,431	20.1%	566,500	509,600	48.1%	64.3%
Utility Overhead Charges	318,733	330,145	3.6%	424,977	440,193	75.0%	75.0%
Court Fines	340,894	310,075	-9.0%	400,000	400,000	85.2%	77.5%
Misc General Government	214,304	234,477	9.4%	230,360	237,960	93.0%	98.5%
CIP Administration	170,840	178,196	4.3%	227,787	237,595	75.0%	75.0%
Investment Interest	3,979	4,000	0.5%	3,100	3,100	128.4%	129.0%
<b>Total Revenues</b>	<b>18,730,288</b>	<b>19,919,490</b>	<b>6.3%</b>	<b>27,061,220</b>	<b>27,639,739</b>	<b>69.2%</b>	<b>72.1%</b>
Beginning Fund Balance	716,183	1,354,726	89.2%	716,183	1,354,726	100.0%	100.0%
Transfer from Other Funds	-	-	N/A	-	-	N/A	N/A
<b>Total Resources</b>	<b>19,446,471</b>	<b>21,274,216</b>	<b>9.4%</b>	<b>27,777,403</b>	<b>28,994,465</b>	<b>70.0%</b>	<b>73.4%</b>



**Comparing 2016 to 2015, total actual revenues are up \$1.19 million, or 6.3 percent, through the third quarter of the year** primarily due to the following:

- \$513,250, or 16.8 percent, increase in sales tax;
- \$328,513, or 12.1 percent, increase in licenses, permits & zoning fees;
- \$267,538, or 4.2 percent, increase in property tax; and
- \$54,739, or 20.1 percent, increase in intergovernmental revenues.

A more in-depth analysis is provided for the following revenues:

- **Property tax is 57.0 percent of budget in 2016 compared to 55.6 percent of budget in 2015.** This is normal reflecting King County’s practice of distributing property taxes to cities primarily in April/May and October/November. Relative to 2015, actual revenue is up \$267,538, or 4.2 percent, in 2016 due to the following: 1) the 1.0 percent optional increase in the 2016 levy; 2) “new construction” additions to the 2016 levy; and 3) the timing of payments received in 2016 versus 2015. The overall property tax increase in 2016 is 2.2 percent, including “new construction.”
- **Utility taxes are 66.7 percent of budget in 2016 compared to 69.3 percent of budget in 2015.** The table below compares utility tax revenues, which are broken down by type of utility, through the third quarter of the year for 2014-2016.

**2014-2016 B&O Tax Revenue**

Utility Tax	Revenue (Jan-Sep)			% Change	
	2014	2015	2016	2015	2016
Electric/Gas	1,225,836	1,149,364	1,162,534	-6.2%	1.1%
Water, Sewer & Storm Water	632,567	708,322	727,229	12.0%	2.7%
Cable TV	501,612	524,856	525,812	4.6%	0.2%
Cellular	403,186	358,048	321,160	-11.2%	-10.3%
Garbage	203,105	198,146	203,190	-2.4%	2.5%
Long Distance	85,120	81,196	84,160	-4.6%	3.6%
Telephone	74,759	69,413	63,450	-7.1%	-8.6%
<b>Total</b>	<b>3,126,184</b>	<b>3,089,345</b>	<b>3,087,536</b>	<b>-1.2%</b>	<b>-0.1%</b>

Relative to 2015, actual revenues are down \$1,809, or 0.1 percent, in 2016 primarily due to the net effect of a 1.1 percent increase in electric/gas utility tax, a 2.7 percent increase in water, sewer, and storm water utility tax, and a 10.3 percent decrease in cellular utility tax. The latter decrease, which represents an ongoing trend that began in 2009, is directly related to the following: 1) a highly competitive business environment, which has resulted in less expensive monthly phone plans; 2) the availability of prepaid phone plans, which limit phone usage; 3) the popularity of texting over talking, which has reduced the use of voice minutes; and 4) the exclusion of data plans from utility taxes.

- **Sales tax is 95.9 percent of budget in 2016 compared to 87.8 percent of budget in 2015.** Relative to 2015, actual revenue is up \$513,250, or 16.8 percent, in 2016. However, there is a significant, one-time receipt from a non-classified business in 2015

(\$109,395) that needs to be backed out for comparison purposes. Excluding this one-time receipt, actual revenue is up 21.1 percent in 2016. The following two tables compare sales tax revenue, which is broken down by business sector, through the third quarter of the year for 2014-2016, including and excluding significant one-time receipts.

**2014-2016 Sales Tax Revenue (Including Significant, One-Time Receipts)**

Business Sector	Revenue (Jan-Sep)			% Change		% of Total		
	2014	2015	2016	2015	2016	2014	2015	2016
Construction	912,922	1,414,480	1,873,253	54.9%	32.4%	38.7%	46.2%	52.4%
Retail & Wholesale Trade	686,403	746,709	779,982	8.8%	4.5%	29.1%	24.4%	21.8%
Food Services	149,856	157,805	162,720	5.3%	3.1%	6.3%	5.2%	4.5%
Admin & Support Services	132,988	138,650	147,301	4.3%	6.2%	5.6%	4.5%	4.1%
Prof, Scientific & Tech Services	67,377	84,528	108,863	25.5%	28.8%	2.9%	2.8%	3.0%
Finance/Insurance/Real Estate	65,031	88,843	104,598	36.6%	17.7%	2.8%	2.9%	2.9%
Telecommunications	112,159	99,856	101,534	-11.0%	1.7%	4.7%	3.3%	2.8%
All Other Sectors	234,599	332,357	298,227	41.7%	-10.3%	9.9%	10.8%	8.3%
<b>Total</b>	<b>2,361,335</b>	<b>3,063,228</b>	<b>3,576,478</b>	<b>29.7%</b>	<b>16.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

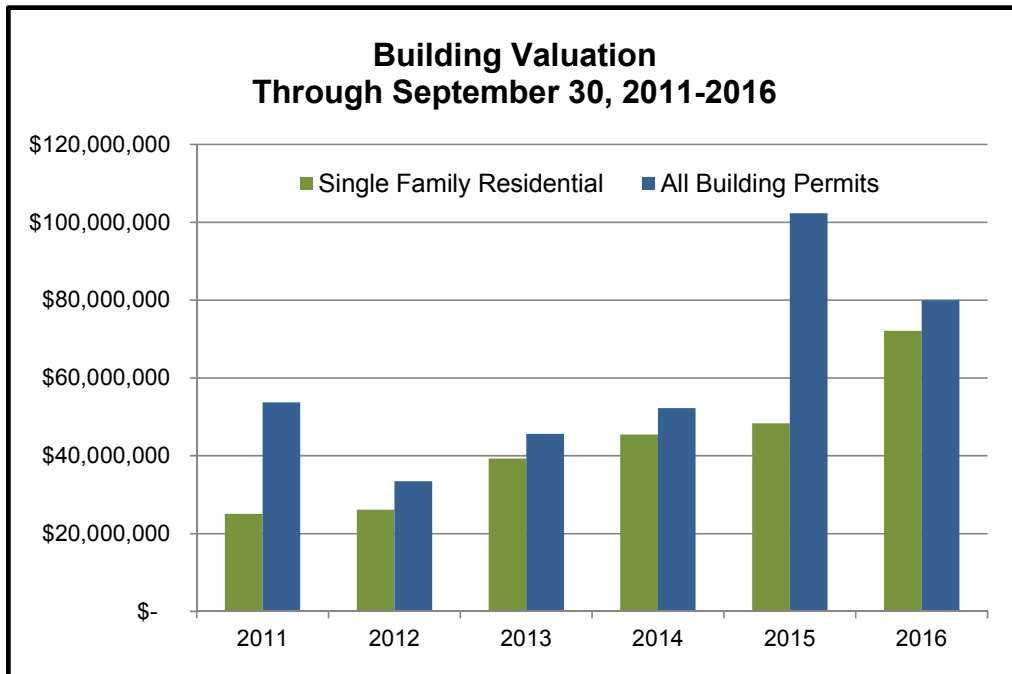
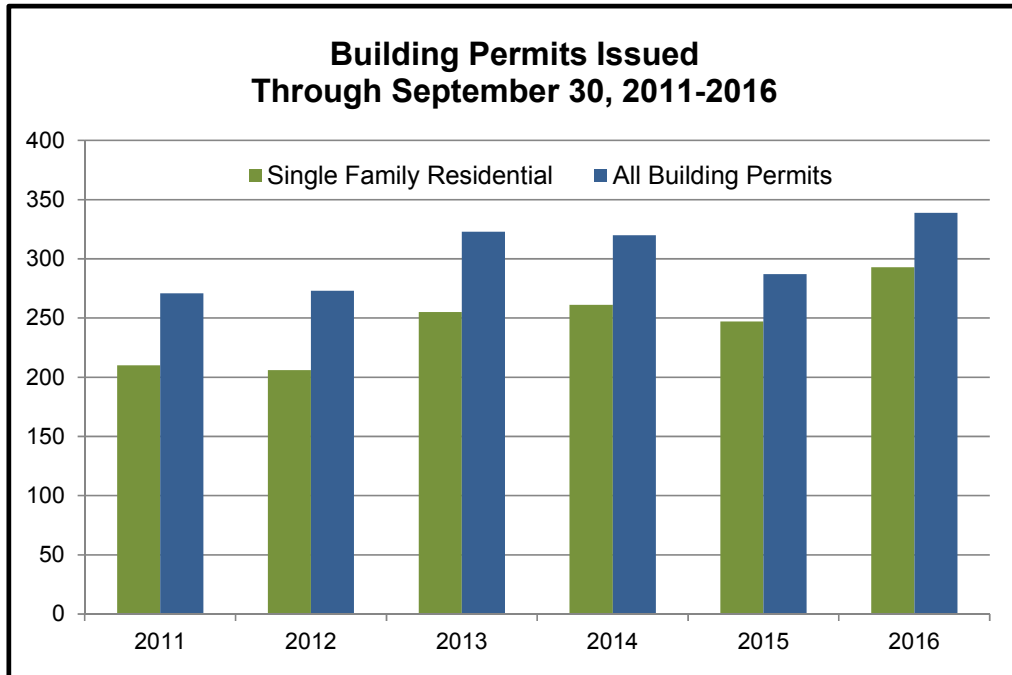
**2014-2016 Sales Tax Revenue (Excluding Significant, One-Time Receipts)**

Business Sector	Revenue (Jan-Sep)			% Change		% of Total		
	2014	2015	2016	2015	2016	2014	2015	2016
Construction	912,922	1,414,480	1,873,253	54.9%	32.4%	39.0%	47.9%	52.4%
Retail & Wholesale Trade	686,403	746,709	779,982	8.8%	4.5%	29.3%	25.3%	21.8%
Food Services	149,856	157,805	162,720	5.3%	3.1%	6.4%	5.3%	4.5%
Admin & Support Services	132,988	138,650	147,301	4.3%	6.2%	5.7%	4.7%	4.1%
Prof, Scientific & Tech Services	67,377	84,528	108,863	25.5%	28.8%	2.9%	2.9%	3.0%
Finance/Insurance/Real Estate	65,031	88,843	104,598	36.6%	17.7%	2.8%	3.0%	2.9%
Telecommunications	112,159	99,856	101,534	-11.0%	1.7%	4.8%	3.4%	2.8%
All Other Sectors	215,318	222,962	298,227	3.6%	33.8%	9.2%	7.5%	8.3%
<b>Total</b>	<b>2,342,054</b>	<b>2,953,833</b>	<b>3,576,478</b>	<b>26.1%</b>	<b>21.1%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Excluding significant, one-time receipts, the overall increase of 21.1 percent can be attributed primarily to the “construction” and “all other” sectors, which are up 32.4 percent and 33.8 percent respectively. Together, these two sectors comprise 74.2 percent of the City’s total sales tax receipts.

- **Licenses, permits, and zoning fees are 103.9 percent of budget in 2016 compared to 90.1 percent of budget in 2015.** Relative to 2015, actual revenue is up \$328,513, or 12.1 percent, in 2016. This revenue category consists of all fees related to development, business licenses, and a cable franchise. Across all building permit types (i.e. single family residential, multi-family residential, commercial, mixed use, and public), the total number of building permits issued and the total building valuation are up 18.1 percent and down 21.8 percent respectively through the third quarter of 2016. The significant decrease in total building valuation is mostly due to \$50.8 million in school district capital projects in 2015. Looking at single family residential development only, the total number of building permits issued and the total building valuation are up 18.6 percent and up 49.2 percent respectively through the third quarter of 2016. The

following two graphs show the total number of permits issued and the total building valuation for single family residential versus all building permit types through September 30, 2011-2016.



Finally, cable franchise fees are up only 0.2 percent in 2016 over the previous year (\$375,581 in 2015 vs. \$374,897 in 2015).

- **Intergovernmental revenues are only 64.3 percent of budget in 2016 compared to 48.1 percent of budget in 2015.** This is typical for this revenue category at this point in the year. The major revenue sources include the liquor excise tax and liquor profits that are shared by the state, vessel registration fees that are received from the state through King County, contract revenue for marine patrol services provided to the cities of Bellevue and Renton, and contract revenue from King County for Zone One emergency management coordination services (this is a three year contract from July 1, 2013 through June 30, 2016). The vessel registration fees and the marine patrol contract revenues, which comprise about one quarter of what is budgeted in this category, will not be received, or otherwise recognized, until December 31, 2015. Relative to 2015, actual revenue is up \$54,739, or 20.1 percent, in 2016 primarily due to liquor excise tax revenue, which is up \$32,803, or 63.2 percent. This increase can be attributed to the 2015-2017 adopted state budget, which increased the liquor excise tax distribution to cities and counties back to 35 percent, which was in effect prior to 2013.
- **Court fines are 77.5 percent of budget in 2016 compared to 85.2 percent of budget in 2015.** Relative to 2015, actual revenue is down \$30,819, or 9.0 percent, in 2016. Court fines are directly tied to case filings, which are collectively down 0.2 percent in 2016. Broken down by city, Mercer Island's case filings, which account for 87.5 percent of the total, are down 2.7 percent, and Newcastle's case filings, which account for 12.5 percent of the total, are up 22.2 percent.

All other revenues are either within expected norms through the third quarter of the year or too insignificant to highlight.

## Expenditures

Comparing total actual to total budgeted expenditures through the third quarter of the year (excluding the Transfer of the Prior Year's Surplus), **the General Fund is 72.9 percent of budget in 2016 compared to 71.7 percent of budget in 2015.** The following two tables compare actual to budgeted expenditures, first by category and then by department, as of September 30, 2015 and 2016.

**GENERAL FUND: Expenditures by Category  
As of September 30, 2015 and 2016**

Expenditure Category	Actuals			Budget		% of Budget	
	9/30/15	9/30/16	% Chg	2015	2016	2015	2016
Salaries	10,660,744	11,364,818	6.6%	14,496,648	15,214,590	73.5%	74.7%
Benefits	3,618,589	3,903,926	7.9%	5,059,493	5,429,246	71.5%	71.9%
Contractual Services	1,118,653	1,301,558	16.4%	2,068,458	2,209,639	54.1%	58.9%
Equipment Rental	1,035,331	1,041,301	0.6%	1,391,612	1,402,573	74.4%	74.2%
Intergovernmental Services	739,537	725,620	-1.9%	835,062	844,186	88.6%	86.0%
Supplies	487,056	500,723	2.8%	708,539	772,685	68.7%	64.8%
Utilities	356,142	426,382	19.7%	562,624	586,699	63.3%	72.7%
Insurance	447,782	508,011	13.5%	446,020	467,433	100.4%	108.7%
Other Services & Charges	189,310	182,556	-3.6%	348,718	381,930	54.3%	47.8%
Phone, Postage & Advertising	65,832	75,359	14.5%	122,285	121,625	53.8%	62.0%
Jail	55,558	42,173	-24.1%	90,850	90,850	61.2%	46.4%
Interfund Transfers:							
Transfer to YFS Fund	287,500	300,000	4.3%	400,000	400,000	71.9%	75.0%
Transfer to Tech/Equip Fund	246,500	256,500	4.1%	340,370	342,000	72.4%	75.0%
Transfer to Water Fund	100,886	96,933	-3.9%	100,100	113,350	100.8%	85.5%
Transfer to Non-Voted Bond Fund	10,318	9,456	-8.4%	95,637	93,911	10.8%	10.1%
Transfer to Equip Rental Fund	40,653	17,944	-55.9%	80,000	15,000	50.8%	119.6%
<b>Total Expenditures</b>	<b>19,460,391</b>	<b>20,753,260</b>	<b>6.6%</b>	<b>27,146,416</b>	<b>28,485,717</b>	<b>71.7%</b>	<b>72.9%</b>
Transfer of Prior Year's Surplus	411,794	408,996	-0.7%	411,794	419,296	100.0%	97.5%
<b>Total Expenditures + PY Transfer</b>	<b>19,872,185</b>	<b>21,162,256</b>	<b>6.5%</b>	<b>27,558,210</b>	<b>28,905,013</b>	<b>72.1%</b>	<b>73.2%</b>

**GENERAL FUND: Expenditures by Department  
As of September 30, 2015 and 2016**

Department	Actuals			Budget		% of Budget	
	9/30/15	9/30/16	% Chg	2015	2016	2015	2016
Police	4,470,092	4,717,267	5.5%	6,041,317	6,217,260	74.0%	75.9%
Fire	4,402,671	4,542,185	3.2%	5,904,438	6,161,104	74.6%	73.7%
Parks & Recreation	3,311,195	3,537,691	6.8%	4,719,848	4,832,280	70.2%	73.2%
Development Services	1,918,176	2,165,386	12.9%	2,787,490	2,990,333	68.8%	72.4%
Non-Departmental	1,837,886	1,910,741	4.0%	2,608,160	2,775,036	70.5%	68.9%
Maintenance	1,091,792	1,115,870	2.2%	1,619,297	1,671,209	67.4%	66.8%
City Manager's Office	649,228	946,839	45.8%	984,862	1,335,728	65.9%	70.9%
Finance	570,476	589,453	3.3%	828,167	833,609	68.9%	70.7%
City Attorney's Office	506,637	450,370	-11.1%	635,000	624,834	79.8%	72.1%
Human Resources	403,792	446,307	10.5%	557,507	568,649	72.4%	78.5%
Municipal Court	275,579	305,587	10.9%	413,565	429,810	66.6%	71.1%
City Council	22,869	25,565	11.8%	46,765	45,865	48.9%	55.7%
<b>Total Expenditures</b>	<b>19,460,391</b>	<b>20,753,260</b>	<b>6.6%</b>	<b>27,146,416</b>	<b>28,485,717</b>	<b>71.7%</b>	<b>72.9%</b>
Transfer of Prior Year's Surplus	411,794	408,996	-0.7%	411,794	419,296	100.0%	97.5%
<b>Total Expenditures + PY Transfer</b>	<b>19,872,185</b>	<b>21,162,256</b>	<b>6.5%</b>	<b>27,558,210</b>	<b>28,905,013</b>	<b>72.1%</b>	<b>73.2%</b>

In reviewing **expenditures by category**, the following are noteworthy:

- **Salaries, which comprise about 53 percent of the 2016 General Fund budget, are 74.7 percent of budget in 2016 compared to 73.5 percent of budget in 2015.** The modest underage relative to the 75.0 percent budget threshold is primarily due to the net effect of the following: 1) 20 bi-weekly payroll periods through September 30, 2016, which represent 76.9 percent of the 26 bi-weekly payroll periods in 2016; 2) salary savings from six employee retirements in 2015; and 3) position vacancies in 2016.
- **Benefits, which comprise about 19 percent of the 2016 General Fund budget, are 71.9 percent of budget in 2016 compared to 71.5 percent of budget in 2015.** The underage relative to the 75.0 percent budget threshold is primarily due to the same reasons noted above under “salaries” and to delayed payroll payments to the state for employee retirement, unemployment, and Labor and Industries.
- **Contractual services, which comprise about 8 percent of the 2016 General Fund budget, are only 58.9 percent of budget in 2016 compared to 54.1 percent of budget in 2015.** This expenditure category includes outside legal counsel, software support, development and engineering support, recreation instructors, repairs and maintenance, and other professional services. The underage relative to the 75.0 percent budget threshold is primarily due to the following: 1) unspent budget for the annual audit (by the State Auditor’s Office), which is being conducted in the fourth quarter of 2016; and 2) unspent budget for I-90 loss of mobility negotiations.
- **Insurance, which comprises about 2 percent of the 2016 General Fund budget, is 108.7 percent of budget in 2016 compared to 100.4 percent of budget in 2015.** The City pays its annual insurance assessment to the Washington Cities Insurance Authority (WCIA) in the first quarter of the year. Relative to 2015, the cost is up \$60,229, or 13.5 percent, in 2016 based on a significant increase in the City’s claims experience and the total number of worker hours over the past five years.
- **Transfer of prior year’s surplus** represents that portion of the General Fund’s revenue surplus and expenditure savings from 2015 that has been approved by the Council to be distributed to other funds for various purposes in 2016. The total available 2015 General Fund surplus was \$1.34 million. Of this amount, \$408,996 has been transferred out of the General Fund for the following purposes:

Transfer To	Amount	Purpose
Street Fund	\$150,000	Design & survey work for Freeman Landing landslide
Beautification Fund	32,600	Town Center parking study
Technology & Equipment Fund	75,574	Council Chambers A/V equipment replacement
	12,500	Maintenance management system professional services
F.S. 92 Construction Fund	100,000	Additional funding for F.S. 92 construction project following settlement agreement with general contractor
Equipment Rental Fund	38,322	Reimburse fund for soil remediation costs incurred through 12/31/15
<b>Total</b>	<b>\$408,996</b>	

In reviewing **expenditures by department**, the following are noteworthy:

- **The Police Department has spent 75.9 percent of its budget through the third quarter of 2016** primarily due to the 20 bi-weekly payroll periods through September 30, 2016, which represent 76.9 percent of the 26 bi-weekly payroll periods in 2016.
- **The Human Resources Department has spent 78.5 percent of its budget through the third quarter of 2016** due to an increase in contracted payroll processing costs.

All other expenditures are either within expected norms through the third quarter of the year or too insignificant to highlight.

## REAL ESTATE EXCISE TAX

Real estate excise tax (REET) is the 0.5 percent tax paid by the seller in property transactions, and its use is restricted by state law for specific capital purposes. REET 1 (the 1<sup>st</sup> quarter of 1.0 percent of the sales price) may be used for streets, parks, facilities, or utilities. REET 2 (the 2<sup>nd</sup> quarter of 1.0 percent of the sales price) may be used for the same capital purposes as REET 1, except for facilities, which are specifically prohibited. Neither REET 1 nor REET 2 may be used for equipment or technology.

In May 2011, the Governor signed HB 1953, which temporarily allows cities to use up to 35 percent of REET revenue (not to exceed \$1.0 million for either REET 1 or 2) for operations and maintenance purposes within the same categorical restrictions noted above. This temporary expansion of how REET can be used will sunset on December 31, 2016. Because of the City's many capital needs, the passage of HB 1953 has had no impact on how REET funds are currently used. It simply gives the City more flexibility.

**Through the third quarter of the year, REET is 95.9 percent of budget in 2016 compared to 86.9 percent of budget in 2015, as shown in the table below.**

### REET Revenue: Actual vs. Budget As of September 30, 2015 and 2016

Actual			Budget		% of Budget	
9/30/15	9/30/16	% Change	2015	2016	2015	2016
\$2,611,789	\$3,018,611	15.6%	\$3,004,000	\$3,147,000	86.9%	95.9%

**Relative to 2015, actual revenue is up \$406,822, or 15.6 percent, through the third quarter of 2016.** The drivers behind REET are number of sales, average sales price, and property sales greater than \$5.0 million. As noted in the table below, the number of sales are down 12.0 percent, and the average sales price is up 10.3 percent in 2016, with the latter partially offsetting the revenue impact of the former. The average sales price is currently \$1.32 million. The 15.6 percent revenue increase in 2016 is wholly due to the sale of 77 Central in the Town Center, which generated over \$479,000 in REET.

### Home Sale Statistics As of September 30, 2015 and 2016

Number of Sales			Average Sales Price		
9/30/15	9/30/16	% Change	9/30/15	9/30/16	% Change
409	360	-12.0%	\$1,195,742	\$1,318,725	10.3%

Please note that the average sales price encompasses all property sales—namely, land, single family residential homes, condominiums, businesses, and below market property sales from one family member to another.

In the following table, REET is broken down according to property sales (i.e. ≤\$5.0 million and >\$5.0 million) for the period 2006-2015. In addition, the average sales price and the number of sales are identified for those properties that sold for \$5.0 million or less.



**2006-2015 REET Revenue (Dollars in Thousands)  
Property Sales ≤\$5.0M and >\$5.0M**

Property Sale Breakdown	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Avg
<b>Property Sales ≤\$5.0M:</b>											
Average Sales Price	\$963	\$1,072	\$1,237	\$854	\$994	\$916	\$899	\$1,046	\$1,119	\$1,182	\$1,028
% Change in Avg Sales Price	6.4%	11.4%	15.4%	-30.9%	16.3%	-7.8%	-1.9%	16.4%	7.0%	5.6%	3.8%
Number of Property Sales	545	429	260	267	318	367	418	492	493	499	409
REET Revenue	\$2,597	\$2,277	\$1,592	\$1,129	\$1,565	\$1,665	\$1,860	\$2,548	\$2,742	\$2,919	\$2,089
<b>Property Sales &gt;\$5.0M:</b>											
Number of Property Sales	3	14	5	3	3	5	6	2	9	10	6
REET Revenue	\$179	\$653	\$755	\$129	\$642	\$162	\$300	\$57	\$527	\$350	\$375
<b>Total REET Revenue</b>	<b>\$2,776</b>	<b>\$2,930</b>	<b>\$2,347</b>	<b>\$1,258</b>	<b>\$2,207</b>	<b>\$1,827</b>	<b>\$2,160</b>	<b>\$2,605</b>	<b>\$3,269</b>	<b>\$3,269</b>	<b>\$2,465</b>

Based on actual receipts through October 2016, staff forecasts that REET will end the year \$404,000 in excess of budget (see following table).

**2016 REET Revenue Forecast**

Property Sale Breakdown	2016	
	Budget	Forecast
<b>Property Sales ≤\$5.0M:</b>		
Average Sales Price	\$1,211,000	\$1,280,000
Number of Property Sales	500	450
REET Revenue	<b>\$2,997,000</b>	<b>\$2,851,000</b>
<b>Property Sales &gt;\$5.0M:</b>	\$150,000	\$700,000
<b>Total REET Revenue</b>	<b>\$3,147,000</b>	<b>\$3,551,000</b>

## BUDGET ADJUSTMENTS

In the interest of administrative ease, a budget amending ordinance is prepared and submitted to the Council quarterly, if needed, along with the Financial Status Report. Budget adjustments are divided into three groups: 1) those previously approved by the Council but not formally adopted via a budget amending ordinance; 2) new requests; and 3) carryover requests. New requests typically encompass financial housekeeping items, minor requests, and unanticipated expenditures that the City had to incur and was unable to absorb within the authorized budget. Carryover requests of unspent budget from the prior year to the current year are typically included in the fourth quarter financial status report for the second year of the biennium. Council approval is required when unspent budget is being moved from the prior biennium to the current biennium, not when unspent budget is being moved within the biennium and within the same fund.

**Budget adjustments previously approved but not formally adopted** via a budget amending ordinance by the Council are summarized in the table below.

Fund	Department	Description	Agenda Bill	Budget Year	Amount	Funding Source(s)
General	DSG	<b>Disposition of 2015 General Fund surplus:</b> Additional community engagement costs for residential development code update	AB 5214, 9/19/16	2016	\$21,500	Unappropriated fund balance
Beautification	Public Works	Port of Seattle economic development grant for City wayfinding sign program	AB 5226, 11/7/16	2016	\$23,480	Port of Seattle grant

**New requests** not approved or formally adopted by the Council are summarized in the table below.

Fund	Department	Description	Budget Year	Amount	Funding Source(s)
General	City Manager's Office	<b>Disposition of 2015 General Fund surplus:</b> Consultant & legal services for I-90 loss of mobility negotiations	2016	\$75,000	Unappropriated fund balance
	Fire	Increase Fire Marshal overtime related to development activity	2016	\$79,000	Fire permit fees
	Non-Dept'l	<b>Disposition of 2015 General Fund surplus:</b> Transfer one-time funding to F.S. 92 Construction Fund	2016	\$275,000	Unappropriated fund balance
Transportation Benefit District	Finance	Transfer greater than expected vehicle license fees in 2015-2016 to Street Fund	2016	\$40,000	Unappropriated fund balance (\$32,155) + vehicle license fees (\$7,845)
Youth & Family Services	YFS	Increase Thrift Shop budget to reflect staffing changes and increased Thrift Shop sales (this adjustment is needed to ensure that the YFS Fund does not exceed budget)	2016	\$40,000	Thrift Shop sales
F.S. 92 Construction	Public Works	Increase appropriation to cover additional costs incurred, which are expected to be fully reimbursed by the general contractor and/or roofing subcontractor's performance bond or insurance	2016	\$275,000	Interfund transfer from General Fund
Water	Finance	Increase 2016 budgeted water purchases from Seattle Public Utilities due to higher than projected water consumption	2016	\$150,000	Water utility rate revenue

A budget amending ordinance is attached as Exhibit 2. Two summary listings of the originally adopted 2015-2016 Budget (expenditures only), broken down by year, and all subsequent amendments, including Exhibit 2, are presented below.

**2015 Budget Adjustment Summary  
Expenditures by Fund**

Fund Type / Fund Name	Original 2015 Budget	2015 Budget Adjustments				Amended 2015 Budget
		4Q 2014 FSR, 4/20/2015	1Q 2015 FSR, 5/18/2015	2Q 2015 FSR, 9/8/2015	3Q 2015 FSR, 11/16/2015	
<b>General Purpose Funds:</b>						
General	26,703,657	118,708		735,845	100,000	27,658,210
Self-Insurance	10,000					10,000
Youth Services Endowment	500					500
<b>Special Revenue Funds:</b>						
Street*	2,952,367	66,905		78,567	(103,000)	2,994,839
Transportation Benefit District	204,167					204,167
Criminal Justice	652,678					652,678
Beautification	1,003,974	62,610		27,500	106,690	1,200,774
Contingency	-					-
1% for the Arts	61,000		3,300		10,000	74,300
Youth & Family Services	2,487,188					2,487,188
<b>Debt Service Funds:</b>						
Bond Redemption (Voted)	-					-
Bond Redemption (Non-Voted)	1,007,036					1,007,036
<b>Capital Projects Funds:</b>						
Capital Improvement*	3,541,776	818,300	41,355	136,500		4,537,931
Technology & Equipment*	526,000					526,000
Fire Station 92 Construction*	-	1,110,770				1,110,770
Capital Reserve*	-					-
<b>Enterprise Funds:</b>						
Water*	8,290,129	412,650			270,000	8,972,779
Sewer*	8,443,763	276,543				8,720,306
Storm Water*	2,431,044	948,761				3,379,805
<b>Internal Service Funds:</b>						
Equipment Rental*	1,901,425	112,801				2,014,226
Computer Equipment*	780,303	22,965				803,268
<b>Trust Funds:</b>						
Firemen's Pension	87,000					87,000
<b>Total</b>	<b>61,084,007</b>	<b>3,951,013</b>	<b>44,655</b>	<b>978,412</b>	<b>383,690</b>	<b>66,441,777</b>

\* Capital Improvement Program (CIP) projects are budgeted and accounted for in these funds.

**2016 Budget Adjustment Summary  
Expenditures by Fund**

Fund Type / Fund Name	Original 2016 Budget	2016 Budget Adjustments						Amended 2016 Budget
		Q2 2015 FSR, 9/8/2015	Q3 2015 FSR, 11/16/2015	Q4 2015 FSR, 4/4/2016	Q1 2016 FSR, 5/16/2016	Q2 2016 FSR, 9/6/2016	Q3 2016 FSR, 12/5/2016	
<b>General Purpose Funds:</b>								
General	27,723,094	138,370		164,900		718,893	450,500	29,195,757
Self-Insurance	10,000							10,000
Youth Services Endowment	500							500
<b>Special Revenue Funds:</b>								
Street*	3,364,106	130,000	30,000		85,605	150,000		3,759,711
Transportation Benefit District	350,000						40,000	390,000
Criminal Justice	600,296							600,296
Beautification	960,547			42,900			23,480	1,026,927
Contingency	-							-
1% for the Arts	10,000							10,000
Youth & Family Services	2,555,345					19,445	40,000	2,614,790
<b>Debt Service Funds:</b>								
Bond Redemption (Voted)	-							-
Bond Redemption (Non-Voted)	1,004,311							1,004,311
<b>Capital Projects Funds:</b>								
Capital Improvement*	1,928,472	25,000						1,953,472
Technology & Equipment*	494,000					157,962		651,962
Fire Station 92 Construction*	-				181,553	100,000	275,000	556,553
Capital Reserve*	-				181,553			181,553
<b>Enterprise Funds:</b>								
Water*	8,170,754						150,000	8,320,754
Sewer*	8,646,605							8,646,605
Storm Water*	2,284,719				60,492			2,345,211
<b>Internal Service Funds:</b>								
Equipment Rental*	1,443,203				14,000			1,457,203
Computer Equipment*	792,772							792,772
<b>Trust Funds:</b>								
Firemen's Pension	93,000							93,000
<b>Total</b>	<b>60,431,724</b>	<b>293,370</b>	<b>30,000</b>	<b>207,800</b>	<b>523,203</b>	<b>1,146,300</b>	<b>978,980</b>	<b>63,611,377</b>

\* Capital Improvement Program (CIP) projects are budgeted and accounted for in these funds.

**CITY OF MERCER ISLAND  
ORDINANCE NO. 16-16**

**AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON,  
INCORPORATING CERTAIN BUDGET REVISIONS TO THE 2015-2016 BIENNIAL  
BUDGET, AND AMENDING ORDINANCE NOS. 14-15, 15-07, 15-10, 15-17, 15-25, 16-  
03, 16-09 AND 16-11.**

WHEREAS, the City Council adopted the 2015-2016 Budget by Ordinance No. 14-15 on December 1, 2014, representing the total for the biennium of estimated resources and expenditures for each of the separate funds of the City, and

WHEREAS, budget adjustments have been approved by the City Council in 2016 in an open public meeting but have not been formally adopted via ordinance, as noted in the following table, and

Fund	Department	Description	Agenda Bill	Budget Year	Amount	Funding Source(s)
General	DSG	<b>Disposition of 2015 General Fund surplus:</b> Additional community engagement costs for residential development code update	AB 5214, 9/19/16	2016	\$21,500	Unappropriated fund balance
Beautification	Public Works	Port of Seattle economic development grant for City wayfinding sign program	AB 5226, 11/7/16	2016	\$23,480	Port of Seattle grant

WHEREAS, budget adjustments are needed that have not been previously approved by the City Council, as noted in the following table;

Fund	Department	Description	Budget Year	Amount	Funding Source(s)
General	City Manager's Office	<b>Disposition of 2015 General Fund surplus:</b> Consultant & legal services for I-90 loss of mobility negotiations	2016	\$75,000	Unappropriated fund balance
	Fire	Increase Fire Marshal overtime related to development activity	2016	\$79,000	Fire permit fees
	Non-Dept'l	<b>Disposition of 2015 General Fund surplus:</b> Transfer one-time funding to F.S. 92 Construction Fund	2016	\$275,000	Unappropriated fund balance
Transportation Benefit District	Finance	Transfer greater than expected vehicle license fees in 2015-2016 to Street Fund	2016	\$40,000	Unappropriated fund balance (\$32,155) + vehicle license fees (\$7,845)
Youth & Family Services	YFS	Increase Thrift Shop budget to reflect staffing changes and increased Thrift Shop sales (this adjustment is needed to ensure that the YFS Fund does not exceed budget)	2016	\$40,000	Thrift Shop sales

Fund	Department	Description	Budget Year	Amount	Funding Source(s)
F.S. 92 Construction	Public Works	Increase appropriation to cover additional costs incurred, which are expected to be fully reimbursed by the general contractor and/or roofing subcontractor's performance bond or insurance	2016	\$275,000	Interfund transfer from General Fund
Water	Finance	Increase 2016 budgeted water purchases from Seattle Public Utilities due to higher than projected water consumption	2016	\$150,000	Water utility rate revenue

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, ORDAINS AS FOLLOWS:

**Section 1. Amending the 2015-2016 Budget**

The 2015-2016 Budget for the City of Mercer Island, as adopted in Ordinance No. 14-15 and amended by Ordinance Nos. 15-07, 15-10, 15-17, 15-25, 16-03, 16-09 and 16-11, is hereby amended to incorporate increases in resources and expenditures in the following funds for the 2015-2016 biennium:

Fund No.	Fund Name	Resources	Expenditures
001	General	\$450,500	\$450,500
108	Transportation Benefit District	40,000	40,000
117	Beautification	23,480	23,480
160	Youth & Family Services	40,000	40,000
347	Fire Station 92 Construction	275,000	275,000
402	Water	150,000	150,000
<b>Totals</b>		<b>\$978,980</b>	<b>\$978,980</b>

**Section 2. Amending Previously Adopted Budget Ordinances**

City Ordinance Nos. 14-15, 15-07, 15-10, 15-17, 15-25, 16-03, 16-09 and 16-11, as previously adopted and as hereby amended, are hereby ratified, confirmed, and continued in full force and effect.

**Section 3.      Effective Date**

This Ordinance shall take effect and be in force 5 days after passage and publication.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON AT ITS MEETING ON THE 5<sup>TH</sup> DAY OF DECEMBER, 2016.

CITY OF MERCER ISLAND

\_\_\_\_\_  
Bruce Bassett, Mayor

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Allison Spietz, City Clerk

\_\_\_\_\_  
Kari Sand, City Attorney

Date of Publication: \_\_\_\_\_





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

**AB 5234  
December 5, 2016  
Regular Business**

**SMALL CELL FRANCHISE AGREEMENT WITH  
CROWN CASTLE (2<sup>ND</sup> READING)**

**Proposed Council Action:**

Adopt Ordinance No. 16-12 approving a small cell franchise agreement with WA-CLEC LLC, d/b/a Crown Castle

**DEPARTMENT OF**

City Attorney (Kari Sand & Christina Schuck)

**COUNCIL LIAISON**

n/a

**EXHIBITS**

1. Ordinance No. 16-12 approving a proposed small cell franchise agreement between the City of Mercer Island and WA-CLEC LLC, d/b/a Crown Castle

**APPROVED BY CITY MANAGER**

<b>AMOUNT OF EXPENDITURE</b>	\$	n/a
<b>AMOUNT BUDGETED</b>	\$	n/a
<b>APPROPRIATION REQUIRED</b>	\$	n/a

**SUMMARY**

Before the Council is a proposed franchise agreement between the City and Crown Castle to license the installation of up to 39 small cell facilities on Puget Sound Energy (“PSE”) poles throughout the City. Crown Castle, on behalf of its client, T-Mobile, has proposed the small cell facilities as the least intrusive means to close a significant gap in its coverage. The franchise agreement regulates the installation and maintenance of the small cell facilities and establishes locational and design priorities to best minimize any impacts.

**BACKGROUND AND HISTORY**

Crown Castle is a telecommunications infrastructure company that designs, develops, operates, upgrades, maintains and owns fiber-fed small cell networks. Small cell facilities are low-powered and low profile wireless base stations that function like cells in a mobile wireless network and are typically used in areas where the coverage and capacity of traditional cell towers (macrocells) are challenged by terrain or buildings. Small cells transmit at much lower signal power levels than macrocells. The siting of wireless facilities, including small cells, are governed by federal, state and local law. Federal law, specifically the Telecommunications Act of 1996, forbids local governments from prohibiting or having the effect of prohibiting the provision of personal wireless service. 43 U.S.C. § 332(c)(7)(B).

On June 3, 2016, Crown Castle submitted applications to install small cell facilities on PSE poles. The Council held a study session on September 19, 2016 with representatives of Crown Castle to discuss small cell technology and the legal landscape governing the siting of small cell facilities. See AB 5215. On October 4, 2016, City staff and Crown Castle representatives sought direction from the Council on design and locational requirements and future approval of additional small cells (beyond the initial 39 applications). See AB 5220. Using this guidance, staff negotiated a proposed franchise agreement with Crown Castle and presented this

for first reading on November 21, 2016. See AB 5229. The franchise agreement has been updated to reflect input and guidance received from Council during first reading.

## **FIRST READING DISCUSSION AND CHANGES TO THE FRANCHISE AGREEMENT**

At the November 21 first reading, discussion centered around the main policies within the franchise agreement, including public notice of proposed small cell facilities, locational and design priorities, and how to best minimize impacts to trees.

### Notice

During the discussion of the proposed franchise on October 4, 2016, questions were raised on how residents would be notified of proposed small cell facilities and how the City's decision to approve them could be appealed. Once the criteria for approval are set by an adopted franchise agreement, staff will review Crown Castle's right-of-way permit applications and grant or deny the permits. Right-of-way permits are appealable to the hearing examiner pursuant to Mercer Island City Code ("MICC") 19.15.010(E). Based upon this, staff proposed in Section 5.1.8 that a notice of decision on the right-of-way permit be issued and sent to property owners within 150 feet of the proposed small cell facility. At first reading on November 21, 2016, sending both a notice of application and decision was raised. Staff briefly explained concerns with this approach, including that two notices increases the amount of staff time and resources spent and may not provide the public with a meaningful opportunity to provide input because, as the franchise is written, there is no discretion available to city staff in the review of small cell facilities. Following this discussion, Council indicated its preference for sending two notices and Section 5.1.8 has been updated accordingly.

### Locational Priorities:

Section 6.3 of the franchise agreement establishes the City's priorities for locating small cell facilities within the right-of-way in a manner that minimizes potential incompatibilities with adjacent uses. These priorities are balanced with design priorities and will be implemented in the following order of priority: (1) trees, (2) views, then (3) streets. The subsections of Section 6.3 have been re-ordered consistent with this order of priority. The following additional changes described below were made based upon direction from Council.

#### (1) Trees

Council directed that Crown Castle shall not "cut" any trees to install small cell facilities. "Cut" means the intentional cutting of a tree to the ground or any practice which is likely to result in the death or significant damage to the tree and follows the definition in MICC 19.16.010. This change is addressed in Section 6.3.1.3 and other references to "cutting" trees have been removed throughout the franchise.

Council also expressed concern about the extent of tree pruning near utility poles and asked staff for revisions to the franchise to ensure damage to trees is minimized and that trees are pruned only to the extent necessary to install small cell facilities. Two sections of the franchise already address this issue. First, Section 6.3.1 requires that small cell facilities must first be located where the installation will not require the pruning of trees or vegetation. Second, Section 6.12 requires that Crown Castle make every effort to avoid unnecessary pruning of trees or vegetation. In response to Council direction, staff has made edits to Section 6.12.1, including dividing this section into multiple parts to make pruning requirements more clear. Section 6.12.1 also specifies that any pruning must be supervised by the City's Right-of-Way Manager or Arborist to ensure that any damage to the tree is minimized and that best practices are employed.

#### (2) Views

Council gave staff guidance to be more protective of views and to minimize impacts to all views, including territorial and mountain views and not just views of Lake Washington. In response to this direction, staff proposes updated language in Section 6.3.2 that requires small cell facilities to be located on PSE poles

in locations that minimize the appearance of small cell facilities from existing adjacent residential properties to the maximum extent feasible. Crown Castle can meet the requirement to minimize the appearance of small cell facilities by incorporating the design requirements set forth in Section 6.4 (e.g., antenna design, location, color and material.) The “maximum extent feasible” will not require the installation of a new PSE pole or relocating the small cell facility to a PSE pole more than 100 feet away from the proposed location.

(3) Streets

Section 6.3.3 has been updated to separate various categories of streets in priority order.

Other Updates

The proposed franchise agreement now includes an administrative fee of \$13,631.00 pursuant to RCW 35.21.860 for reimbursement of costs associated with the preparation, processing and approval of the franchise, which includes wages, benefits and overhead expenses. Exhibits A, B, and C to the franchise have also been finalized and added. These exhibits list the approximate locations of the proposed 39 small cell facilities, provide examples of typical Small Cell Facilities and provide PSE Pole diagrams.

**RECOMMENDATION**

*City Attorney & Assistant City Attorney*

MOVE TO: Adopt Ordinance No. 16-12 granting WA-CLEC LLC, d/b/a Crown Castle, a nonexclusive telecommunications franchise to install, construct, maintain, repair and operate small cell facilities within the public rights of way.

**CITY OF MERCER ISLAND  
ORDINANCE NO. 16-12**

**AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON,  
GRANTING TO WA - CLEC LLC, A DELAWARE LIMITED LIABILITY  
COMPANY, A NONEXCLUSIVE TELECOMMUNICATIONS FRANCHISE  
TO INSTALL, CONSTRUCT, MAINTAIN, REPAIR, AND OPERATE  
SMALL CELL FACILITIES WITHIN THE PUBLIC RIGHTS OF WAY**

WHEREAS, WA - CLEC LLC, d/b/a Crown Castle, a Delaware limited liability company (hereafter “Franchisee” or “Crown Castle”) has made application to the City to construct, install, maintain, repair and operate a telecommunications system within the public rights-of-way of the City; and

WHEREAS, Crown Castle represents that it has the legal, technical and financial qualifications to operate in the rights-of-way of the City as a public telecommunications utility in Washington, holding a Registration from the Washington Utilities and Transportation Commission; and

WHEREAS, based on representations and information provided by Crown Castle, and in response to its request for the grant of a franchise, the City Council has determined that the grant of a nonexclusive franchise, on the terms and conditions herein and subject to applicable law, are consistent with the public interest; and

WHEREAS, Crown Castle intends to install its small cell facilities within the rights-of-way on existing Puget Sound Energy (“PSE”) utility poles; and

WHEREAS, Crown Castle warrants and represents that it has the requisite authority to construct, install and maintain its small cell facilities on PSE utility poles; and

WHEREAS, the City is authorized by state law to grant such nonexclusive franchises within the boundaries of the City; and

WHEREAS, City staff and Crown Castle have been working together to negotiate a franchise agreement allowing Crown Castle to install small cell facilities to fill significant gaps in its client’s T-Mobile’s coverage through the least intrusive means; and

WHEREAS, pursuant to RCW 35.21.860, the City is prohibited from imposing franchise fees upon a telephone business or “service provider” as defined in RCW 35.99.010, but can seek reimbursement for costs associated with the preparation, processing and approval of the franchise agreement, including wages, benefits, overhead expenses, meetings, negotiations, publication fees and other functions related to the approval of the franchise agreement; and

WHEREAS, the franchise agreement sets forth specific locational standards and priorities for locating small cell facilities in a manner that minimizes potential incompatibilities with adjacent uses; and

WHEREAS, the franchise agreement sets forth specific design standards to minimize the visual impacts of the small cell facilities by using the smallest antennas, equipment and equipment cabinets available to satisfy engineering requirements and the service objectives of the sites; and

WHEREAS, the design standards set forth are intended to be an existing concealment element in the determination of whether or not a proposed modification is a substantial change under Section 6409(a) of the Spectrum Act, 47 U.S.C. § 1455(a);

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, DO ORDAIN AS FOLLOWS:

**Section 1. Adoption of Mercer Island Franchise Ordinance.** The Mercer Island City Council hereby approves, adopts and directs the City Manager to execute the Franchise Agreement between the City of Mercer Island and WA - CLEC LLC in substantially the same form as attached hereto as Attachment A.

**Section 2. Severability.** If any section, sentence, clause or phrase of this Ordinance or any municipal code section amended hereby should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause or phrase of this Ordinance or its application to any other person, property or circumstance.

**Section 3. Ratification.** Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

**Section 4. Effective Date and Publication.** Consistent with RCW 35A.47.040, this Ordinance, or a summary thereof, shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED by the City Council of the City of Mercer Island, Washington at its regular meeting on the \_\_\_\_\_ day of \_\_\_\_\_, 2016, and signed in authentication of its passage.

CITY OF MERCER ISLAND

\_\_\_\_\_  
Bruce Bassett, Mayor

Approved as to Form:

ATTEST:

\_\_\_\_\_  
Kari Sand, City Attorney

\_\_\_\_\_  
Allison Spietz, City Clerk

Date of Publication: \_\_\_\_\_



Copy received by the City of Mercer Island on \_\_\_\_\_

By \_\_\_\_\_  
Allison Spietz, City Clerk

**CITY OF MERCER ISLAND  
SMALL CELL FACILITIES FRANCHISE AGREEMENT**

**BY AND BETWEEN**

**THE CITY OF MERCER ISLAND**

**AND**

**WA - CLEC LLC, d/b/a Crown Castle**



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## 1. DEFINITIONS

In addition to terms otherwise defined herein, the following definitions shall apply generally to the provisions of this Franchise:

1.1 Agency: Any governmental or quasi-governmental agency other than the City, including the Federal Communications Commission and the Washington Utilities and Transportation Commission (“WUTC”).

1.2 Crown Castle: Crown Castle shall mean WA - CLEC, LLC, a Delaware limited liability company and its lawful successors, assigns, and transferees.

1.3 Director: The head of the Development Services Group (or its successor department) of the City, or his/her designee.

1.4 Effective Date: This Franchise is effective on the date it is fully executed by both parties following approval of the Franchise by an ordinance of the Mercer Island City Council.

1.5 Flush-Mounted: The installation of antennas and equipment cabinets on a PSE Pole using brackets that offset the inside edge of such equipment from the PSE Pole by 5 inches or less, except as otherwise required by PSE and approved by the City.

1.6 Inventory of Facilities: An accurate and current inventory of all Small Cell Facilities approved by City pursuant to this Franchise and installed by Crown Castle, including sites that become inactive for any reason.

1.7 Laws: Any and all applicable federal, state and local statutes, constitutions, ordinances, resolutions, regulations, judicial decisions, rules, tariffs, administrative orders, certificates, orders, or other requirements, including those of the City or any Agency having jurisdiction over the parties to this Franchise, in effect either as of the Effective Date or at any time during the presence of Crown Castle in the Right-of-Way. Notwithstanding anything to the contrary in this Franchise, Crown Castle will not be required to comply with any change in Laws where Crown Castle remains in conformance with the Laws in existence at the time this Franchise was entered into.

1.8 Nearest Feasible PSE Pole: The PSE Pole(s) which are within 100 feet of a PSE Pole that is included in a ROW Permit application, as long as such PSE Pole(s) are feasible for the installation of a Small Cell Facility, and the location and design of the Small Cell Facility on such PSE Pole(s) comply with the location and design preferences in Sections 6.3 and 6.4 of this Franchise.

1.9 Person: An individual, corporation, limited liability company, general or limited partnership, joint venture, business trust, or any other form of business entity or association.

1.10 PSE Pole: Any utility pole owned by PSE that is suitable for the installation of Small Cell Facilities. An Original PSE Pole is a pole that has not been replaced to accommodate Small Cell Facilities, but that is capable of accommodating Small Cell Facilities. A Replacement PSE Pole means a pole that replaces an Original PSE Pole to accommodate Small Cell Facilities and does not result in an increase in the total number of PSE Poles. Each reference to a PSE Pole herein shall be deemed to include any Original PSE Pole and any Replacement PSE Pole.

1.11 Right-of-Way: Land acquired by reservation, dedication, prescription or condemnation, and intended to be used as a road, sidewalk, utility line or other similar public use. This term shall not include county, state, or federal rights-of-way or any property owned by any person or agency other than the City of Mercer Island, except as provided by applicable Laws or pursuant to an agreement between the City and any such Person or Agency.

1.12 Services: Communications services offered by Crown Castle pursuant to its authority from the WUTC to provide competitive local exchange services.

1.13 Small Cell Facilities: The optical converters, remote radios, multiplexers, antennas, transmitters, receivers, backup power supplies, power transfer switches, cut-off switches, electric meters, coaxial cables, wires, telecom demarcation box and related materials and equipment (collectively the “Node”), and fiber optic cables, repeaters, splice cases and related materials and equipment (collectively the “Fiber”) to be installed and operated by Crown Castle hereunder at one or more individual pole locations as approved by City under this Franchise. Examples of typical Small Cell Facilities and installation configurations are shown in the drawings and photographs attached hereto as Exhibit B and incorporated herein by reference.

## 2. GRANT OF AUTHORITY

2.1 License to Use Rights-of-Way. Pursuant to RCW 35A.47.040, the City hereby grants Crown Castle a non-exclusive license to use the City’s Right-of-Way located approximately in the 39 locations listed in Exhibit A to attach, install, construct, operate, lease, maintain, repair, replace, reattach, reinstall, relocate, and remove its Small Cell Facilities, subject to the conditions outlined in this Franchise. Small Cell Facilities shall not unreasonably impair any improvement or interfere with the intended use of the City’s Right-of-Way. Crown Castle shall obtain permission to attach to any PSE Poles, conduits or related facilities.

2.2 This Franchise does not confer any other rights not described herein nor does it permit Crown Castle or parties contracted to use Crown Castle’s Small Cell Facilities to use the City’s Right-of-Way for purposes not specified in this Franchise. Nothing in this Franchise shall be deemed to grant, convey, create, or vest in Crown Castle a real property interest in land, including any fee, leasehold interest, or easement.

2.3 Any work performed pursuant to the rights granted under this Franchise must be subject to prior review and approval by the City in accordance with all applicable existing Laws.

### 3. TERM AND AMENDMENTS

3.1 Term. This Franchise shall commence on the Effective Date and extend for an initial term of 5 years (the “Initial Term”), unless it is earlier terminated by either Party in accordance with the terms of the Franchise.

3.2 Renewal. This Franchise may be renewed for an additional term of 5 years upon the terms and conditions set forth herein, unless either Party chooses not to renew. If either Party chooses not to renew this Franchise, the Party shall provide written notice to the other Party of its intent not to renew this Franchise at least 180 days prior to the expiration of the Initial Term.

3.3 Effect of Expiration of Franchise. Upon expiration of the Franchise, Crown Castle shall have up to 90 days following expiration in which to remove all of its Small Cell Facilities and related equipment from City Rights-of-Way, except as otherwise provided in Subsection 7.1. Within 30 days following expiration, Crown Castle shall provide the City with a schedule and timeline for removing the Small Cell Facilities. Thereafter, Crown Castle shall have no access to City Rights-of-Way for the purpose of installing any Small Cell Facilities.

3.4 Amendments. Either Party shall have the right to request an amendment of this Franchise on the 5th anniversary of the Effective Date and each renewal period thereafter, provided notice to amend is sent to the other Party no later than 90 days prior to the end of the Initial Term or then-effective Renewal Term. Any contractual amendments shall be approved by an ordinance of the City Council.

3.4.1 If the Parties have not reached agreement on contractual amendments by the end of the then-existing Term, the Parties may agree in writing to a temporary extension of the Franchise as appropriate and necessary to complete negotiations on proposed contractual amendments. If following negotiations, the Parties cannot reach agreement on contractual amendments, the City shall have the right to terminate this Franchise at the end of the agreed upon temporary extension period by providing written notice thereof to Crown Castle. In no event shall the City have the right to terminate this Franchise prior to the expiration of the Term due solely to the Parties failing to reach an agreement on an amendment to the Franchise requested by the City.

### 4. ADMINISTRATIVE FEES AND UTILITY TAX

4.1 Franchise Fees Prohibited by State Law. Pursuant to RCW 35.21.860, the City is prohibited from imposing franchise fees upon a telephone business, as defined in RCW 82.16.010, or a Service Provider for use of the Right-of-Way, as defined in RCW 35.99.010, except a utility tax or actual administrative expenses related to the franchise

incurred by the City. Crown Castle does hereby warrant that its operations, as authorized under this Franchise, are those of a Service Provider as defined in RCW 35.99.010.

4.2 Reimbursement of Costs. Crown Castle shall be subject to an administrative fee in the amount of thirteen thousand six hundred and thirty-one dollars (\$13,631.00) for reimbursement of costs associated with the preparation, processing and approval of this Franchise, including wages, benefits, overhead expenses, meetings, negotiations and other functions related to the approval. The administrative fee excludes normal permit fees required for the work in the City Right-of-Way. Payment of the one-time administrative fee is due within 30 days after the Mercer Island City Council's approval of the Franchise ordinance.

4.3 Changes in State Law. If RCW 35.21.860 is amended to allow collection of a franchise fee, this Franchise shall be amended to require franchise fee payments as allowed by Law or, if the amount of the franchise fee is not expressly set by such Law, by the amount agreed-upon by the Parties.

4.4 Provision of Dark Fiber to the City. Crown Castle agrees that at all times during the term of this Franchise it shall reserve 4 strands of unlit (dark) fiber owned by Crown Castle in the City Right-of-Way for the City's exclusive use in operating any noncommercial data network or communications function.

4.5 Electricity Charges. Crown Castle shall be solely responsible for the payment of all electrical utility charges to the applicable utility company based upon the Small Cell Facilities' usage of electricity and applicable tariffs.

## 5. APPROVAL OF SMALL CELL FACILITIES

5.1 Right-of-Way Permit. Crown Castle has applied for, and is required to obtain a City Right-of-Way permit ("ROW Permit") for the construction and installation of its each of its 39 Small Cell Facilities in the City Rights-of-Way identified in Exhibit A. The application for the ROW Permit includes, but is not limited to all of the following:

5.1.1 The ROW Permit Application fees;

5.1.2 A site plan that includes the property lines, adjacent City Rights-of-Way, private roads, and existing and proposed structures. The City may require the site plan to include all PSE Poles within 100 feet, if necessary. Maps shall be drawn at 1:20 scale;

5.1.3 Scaled elevations depicting the size and locations of proposed Small Cell Facilities on the PSE Pole;

5.1.4 Photo simulations of the Small Cell Facility site showing current and proposed conditions;

5.1.5 A tree plan, shown either on the site plan required in this Section 5.1.2 or on a separate tree plan, but only for those Small Cell Facilities where Crown Castle will prune any trees. The tree plan shall show the location, diameter, species of all significant trees (defined as conifers greater than 6 feet tall or deciduous trees greater than 6 inches in diameter at 4 ½ feet above the ground), clearly designate all eagle perch/nest trees, and draw an X through trees proposed to be removed or pruned. No trees may be pruned without the City's approval in the ROW Permit and shall be consistent with the requirements of Section 6.12 of this Franchise;

5.1.6 Engineering plans (if required by Law), and construction plans and drawings;

5.1.7 A document demonstrating compliance with all the applicable location and design criteria in Section 6 of this Franchise; and

5.1.8 A copy of the notice of application and the notice of the City's action sent to property owners within 150 feet of the proposed Small Cell Facility, in a form acceptable to the City, and an affidavit of mailing.

5.2 Right-of-Way Determination. The City will determine whether the location of any PSE Pole identified by Crown Castle as a proposed location for its Small Cell Facilities is within City Right-of-Way. If it is not, the request would be outside the scope of the Franchise as City would not have authority to approve the application.

5.3 Inventory. Crown Castle shall maintain a current Inventory of Facilities throughout the Term of this Franchise. Crown Castle shall provide to City a copy of the Inventory no later than 180 days after the effective date of this Franchise, and shall be updated within 30 business days of a reasonable request by the City. The Inventory shall include GIS coordinates, date of installation, type of PSE Pole used for installation, description/type of installation for each Small Cell Facility installation and photographs taken before and after the installation of the Small Cell Facility and taken from the public street. Concerning Small Cell Facilities that become inactive, the Inventory shall include the same information as active installations in addition to the date the Facilities were deactivated and the date the Facilities were removed from the Right-of-Way. The City shall compare the Inventory to its records to identify any discrepancies, and the Parties will work together in good faith to resolve any discrepancies. Crown Castle will only be required to report one time on an Inventory any Facilities which were removed from the Right-of-Way.

5.4 Unauthorized Installations. Any Crown Castle Small Cell Facilities installations in the City Right-of-Way that were not authorized under this Franchise or other approval by the City ("Unauthorized Facilities") that are identified by the City as a result of comparing the Inventory to internal records or through any other means will be subject to the payment of an Unauthorized Facilities Charge by Crown Castle. City shall provide written notice to Crown Castle of any Unauthorized Facilities identified by City staff and Crown Castle shall have 30 days thereafter in which to establish that this site was authorized. Failure to

establish that the site is authorized will result in the imposition of an Unauthorized Facilities Installation Charge in the amount of \$1,000.00 per Unauthorized Facility per day starting on the 31st day. Crown Castle may submit an application to the City under this Franchise for approval of the Unauthorized Facilities. If the application for the Unauthorized Facilities is not approved based on applicable considerations under this Franchise or applicable Laws, Crown Castle shall remove the Unauthorized Facilities and any related facilities from the City's Right-of-Way within 30 days after the expiration of all appeal periods for such denial. The City shall not refund any assessed fines, unless Crown Castle is successful in an appeal.

5.5 Revocation. The Director may revoke Crown Castle's permission to use a licensed location listed in Exhibit A for Crown Castle's non-compliance with a term or terms of this Franchise subject to the same notice and right to cure procedures for a default in Section 13.4. The Director may amend or supplement Exhibit A as needed to remove the Small Cell Facilities subject to the revocation during the Term of this Franchise without approval from City Council.

## 6. CONSTRUCTION OF FACILITIES REQUIREMENTS

6.1 Compliance with Law Required. The work done by Crown Castle in connection with the installation, construction, maintenance, repair, and operation of Small Cell Facilities on PSE Poles within the City Right-of-Way shall be subject to and governed by all applicable Laws related to the construction, installation, operation, maintenance, and control of Crown Castle's Small Cell Facilities installed in the City's Right-of-Way. Crown Castle shall not attach, install, maintain, or operate any Small Cell Facilities or other equipment in or on the City's Right-of-Way without the prior approval of the City for each location.

### 6.2 Duty to Minimize Interference.

6.2.1 All PSE Pole excavations, construction activities, and aerial installations on PSE Poles in the City Rights-of-Way shall be conducted in a manner that minimizes interference with the use of the City's Rights-of-Way and with the use of private property, in accordance with all regulations of the City necessary to provide for public health, safety and convenience. Notwithstanding the non-exclusive nature of this Franchise, the City agrees that it will not grant the right to use the City Right-of-Way to any other franchisee or permittee if the City knows that such use is likely to physically interfere with or create electronic interference with Crown Castle's existing Small Cell Facilities in the City Right-of-Way.

6.2.2 If the City receives an application from another franchisee or permittee for the installation of Small Cell Facilities within 100 feet of Crown Castle's Small Cell Facilities approved herein, and the City reasonably believes such facilities might create physical or electronic interference with Crown Castle's Small Cell Facilities, then the City may instruct the other franchisee or permittee to provide written notice to Crown Castle of the proposed installation. The notice shall include a description of the radio frequencies, power levels, direction of broadcast, location



of the proposed installation and any other information that is reasonably necessary for Crown Castle and its customers to confirm whether there will be any physical or electronic interference with Crown Castle's Small Cell Facilities. Within 30 days after receipt of the notice required herein, Crown Castle shall notify the other franchisee or permittee and the City if there is reasonable cause to believe there will be physical or electronic interference from the proposed installation. If Crown Castle notifies the franchisee or permittee and the City that there will not be any interference, or if Crown Castle fails to respond within the 30 day period, the City shall have satisfied its duty to avoid interference with under this Section 6.2.

6.3 Location Priorities. This section establishes the City's priorities for locating Small Cell Facilities in the City's Rights-of-Way in a manner that minimizes potential incompatibilities with adjacent uses. The location priorities in this Section 6.3 shall be balanced with the design priorities in Section 6.4, and are subject to 47 U.S.C. § 332, which allows Crown Castle to use the least intrusive means to close a significant gap in wireless service in the City. When the location and design priorities are inconsistent for a proposed Small Cell Facility, the Director will implement the priorities in the following order: Trees, Views, then Streets.

6.3.1. Trees. On PSE Poles that are in a location in the following order of priority:

6.3.1.1 The installation will not require the pruning of trees or other vegetation; then

6.3.1.2 The installation of the Small Cell Facility will require pruning of trees or other vegetation, provided that any pruning shall be the minimum necessary, comply with Section 6.12 and shall not constitute a threat to the tree's or vegetation's health or safety in the opinion of the City Arborist.

6.3.1.3 Crown Castle shall not cut any trees for the installation of a Small Cell Facility. For purposes of this Franchise, "cut" means the intentional cutting of a tree to the ground or any practice or act which is likely to result in the death or significant damage to the tree.

6.3.2 Views. On PSE Poles in a location that minimizes the appearance of Small Cell Facilities from existing adjacent residential structures to the maximum extent feasible. For purposes of this section, Crown Castle can meet the requirement to minimize the appearance of Small Cell Facilities by incorporating the design requirements set forth in Section 6.4. Minimizing the appearance of Small Cell Facilities to the "maximum extent feasible" shall not require the installation of a new PSE Pole or relocating the Small Cell Facility to a PSE Pole more than 100 feet away from the proposed location.

6.3.3 Streets. On Public Rights-of-Way, in the following order of priority:

6.3.1.1 Major;

6.3.1.2 Secondary;

6.3.1.3 Collector; then

6.3.1.2 Local.

6.4 Design Requirements and Priorities. This section establishes the design requirements and priorities for Small Cell Facilities. For the 39 Small Cell Facilities listed on Exhibit A, the design requirements and priorities are intended to be concealment features when considering whether a proposed modification is a substantial change under Section 6409(a) of the Spectrum Act, 47 U.S.C. § 1455(a).

6.4.1 No co-location. Each PSE Pole shall contain no more than one Small Cell Facility.

6.4.2 Antenna Design. Antennas shall measure no larger than 2 feet in height and 14 inches in width.

6.4.3 Antenna Location. Antennas shall be located in the following order of priority:

6.4.3.1 Within the communication space of the PSE Pole as illustrated in Exhibit C; then

6.4.3.2 A pole top extension to locate antenna equipment above the electrical conductor. Pole top extensions shall meet all PSE requirements and shall not extend beyond the top of the pole more than 48 inches.

6.4.4 Small Cell Facilities Cabinet Location and Dimensions. The equipment cabinets for Small Cell Facilities shall be located below the antennas in the communications space on the PSE Pole as illustrated in Exhibit C. The equipment cabinets for Small Cell Facilities shall not exceed 10 cubic feet in volume on any one PSE Pole for the 39 Small Cell Facilities listed on Exhibit A.

6.4.5 Replacement PSE Poles Height. Replacement PSE Poles shall not be more than 15% or 10 feet taller than the Original PSE Pole, whichever is less, except for guy poles which may be increased to a height equal to the surrounding PSE Poles upon a showing that the proposed height increase must be granted in order to allow Crown Castle to use the least intrusive means to close a significant gap in wireless service.

6.4.6 Other Design Priorities.

6.4.6.1 Color and Material. Small Cell Facilities antennas, conduit, mounting hardware and equipment cabinets shall be painted to match the

color of the PSE Pole, or at the City's preference, Crown Castle shall paint its Small Cell Facilities any color of the City's choosing, so long as the paint is reasonably commercially available. If Small Cell cabinets require a special heat-reducing paint finish, they shall be a neutral color such as brown, beige, off-white, or light gray.

6.4.6.2 Flush Mount. All Small Cell Facilities shall be Flush-Mounted.

6.4.6.3 No Illumination. Small Cell Facilities shall not be illuminated.

6.4.6.4 Concealed Wires. Small Cell Facilities' external cables and wires shall be enclosed in a conduit so that wires are protected and not visible or visually minimized to the maximum extent possible, except for the space between the conduit and the antennas and/or equipment cabinets.

6.5 Upgrading Design Requirements. Every 5 years following the Effective Date, Crown Castle and the City shall review Small Cell Facility size to ensure the visual impacts of Small Cell Facilities are consistent with the antennas, equipment and equipment cabinets then-available that will satisfy engineering requirements and the service objectives of the site. In the event the City reasonably determines following this review that smaller antennas, equipment and/or equipment cabinets are available and will satisfy engineering requirements and service objectives of the site, Crown Castle shall propose a plan to replace the identified Small Cell Facilities within 2 years of the City's determination. Any Small Cell Facilities not replaced within 2 years shall be deemed an "Unauthorized Installation" and shall be subject to the imposition of an Unauthorized Installation Charge on day 1 of year 3 as set forth in Section 5.4.

6.6 Underground District. If any PSE Poles at a licensed location are removed for the purpose of undergrounding the utilities during the Term of this Franchise, then Crown Castle shall comply with such undergrounding requirement as set forth in this subsection. Crown Castle agrees to underground its fiber and power, at its own expense, in the event all overhead utilities are undergrounded in an area in which Small Cell Facilities are installed. The City agrees that only fiber and power connections will be required to be undergrounded in underground utility districts.

6.7 Installation. Crown Castle shall, at its own cost and expense, install the Small Cell Facilities in a good and workmanlike manner and in accordance with the requirements promulgated by the Director, as such may be amended from time to time. Crown Castle's work shall be subject to the regulation, control and direction of the Director as allowed by Law. All work done in connection with the installation, operation, maintenance, repair, modification, upgrade, removal, and/or replacement of the Small Cell Facilities shall be in compliance with all Laws.

6.7.1 Inspections. The Director may perform visual inspections of any Small Cell Facilities located in the City Right-of-Way as the Director deems appropriate without notice. If the inspection requires physical contact with the Small Cell

Facilities, the Director shall provide written notice to Crown Castle within 5 business days of the planned inspection. Crown Castle may have a representative present during such inspection.

6.7.2 Emergency. In the event of an emergency, the City may, but is not required to, notify Crown Castle of an inspection. The City may take action necessary to remediate the emergency situation, and the Director shall notify Crown Castle as soon as practically possible after remediation is complete.

6.8 Placement. Small Cell Facilities shall not impede pedestrian or vehicular traffic in the Right-of-Way. If Small Cell Facilities are installed in a location that is not in accordance with the plans approved by the Director and impedes pedestrian or vehicular traffic or does not comply or otherwise renders the City Right-of-Way non-compliant with applicable Laws, including the American Disabilities Act, then Crown Castle shall remove the Small Cell Facilities. Crown Castle shall be subject to a \$2,000 per day penalty for every day more than 10 business days after City has delivered written notice of such condition to Crown Castle until the Small Cell Facility is relocated to the correct area consistent with Exhibit A and/or the application materials, regardless of whether or not Crown Castle's contractor, subcontractor, or vendor installed the PSE Pole or Small Cell Facilities.

6.9 Electrical Supply. Crown Castle shall be responsible for obtaining any required electrical power service to the Small Cell Facilities. The City shall not be liable to Crown Castle for any stoppages or shortages of electrical power furnished to the Small Cell Facilities, including without limitation, stoppages or shortages caused by any act, omission, or requirement of the public utility serving the structure or the act or omission of any other tenant of the structure, or for any other cause beyond the control of the City.

6.10 Fiber Connection. Crown Castle shall be responsible for obtaining access and connection to fiber optic lines or other backhaul solutions that may be required for its Small Cell Facilities.

6.11 Generators. Crown Castle shall not install any generators without the City's prior approval in accordance with Laws.

6.12 Pruning of Trees. Crown Castle shall make every effort to avoid unnecessary pruning of any trees or vegetation in the vicinity of the Small Cell Facilities. Crown Castle shall also make every effort to avoid damaging any trees or vegetation in the vicinity of the Small Cell Facilities.

6.12.1 Trees on Public Property.

6.12.1.1 Crown Castle, its contractors, and agents shall apply for a tree permit to prune a tree on public property in accordance with chapter 19.10 of the Mercer Island City Code (MICC) as now enacted or hereafter amended.

6.12.1.2 Crown Castle shall provide 7 days' advance notice to the City's Right-of-Way Manager before any pruning of trees on public property. Crown Castle shall also provide 7 days' advance notice to the adjacent property owners before pruning a tree on public property.

6.12.1.3 Any pruning shall be supervised by the City's Right-of-Way Manager or Arborist to minimize damage to the tree and to ensure best practices are employed.

6.12.1.4 All tree pruning operations should comply with the Manual on Uniform Traffic Control Devices (MUTCD) on temporary traffic control standards when utilizing the City's Right-of-Way.

6.12.2 Trees on Private Property. Crown Castle shall not prune any trees on private property, unless Crown Castle has the express, written permission of the property owner and a tree permit is obtained, if applicable.

6.12.3 The City shall not be liable for any damages, injuries, or claims arising from Crown Castle's actions under this section.

6.13 Graffiti Abatement. As soon as practical, but not later than 14 days from the date Crown Castle receives notice thereof, Crown Castle shall remove all graffiti on any of its Small Cell Facilities located in the City's Right-of-Way. The foregoing shall not relieve Crown Castle from complying with any City graffiti or visual blight ordinance or regulation.

6.14 Repairs. Whenever the installation, placement, attachment, repair, modification, removal, operation, use, or relocation of the Small Cell Facilities, or any portion thereof is required or permitted under this Franchise, and such installation, placement, attachment, repair, modification, removal, operation, use, or relocation causes any property of the City to be damaged or to have been altered in such a manner as to make it unusable, unsafe, or in violation of any Laws, Crown Castle, at its sole cost and expense, shall promptly repair and return such property to its original condition. If Crown Castle does not repair such property or perform such work as described in this paragraph, then the City shall have the option, upon 15 days' prior written notice to Crown Castle or immediately if there is an imminent danger to the public, to perform or cause to be performed such reasonable and necessary work on behalf of Crown Castle and to charge Crown Castle for the reasonable and actual costs incurred by the City. Crown Castle shall reimburse the City for its actual repair costs within 30 days after receiving the invoice from the City.

6.15 No Interference.

6.15.1 Crown Castle, in the performance and exercise of its rights and obligations under this Franchise shall not physically interfere in any manner with the existence and operation of any and all existing public and private rights-of-way, sanitary sewers, water mains, storm drains, gas mains, poles, aerial and underground electrical and telephone wires, electroliers, cable television, and other

telecommunications, utility, or municipal property, without the express written approval of the owner or owners of the affected property or properties, except as permitted by applicable Law or this Franchise.

6.15.2 If Crown Castle's Small Cell Facilities physically interfere with any of the activities enumerated within Section 6.15.1 above, then Crown Castle shall promptly cease operation of or relocate the Small Cell Facilities causing the interference upon receiving notice from the City. If, 10 days after receipt of written notice from the City of such interference, the Small Cell Facilities continue to interfere, such Small Cell Facilities may be deemed unauthorized and subject to the provisions of Section 5.4 of this Franchise.

6.15.3 Following installation or modification of Small Cell Facilities, the Director may require Crown Castle to test the Small Cell Facilities' radio frequency and other functions to confirm it does not interfere with the City's Operations or other equipment or property that are located within 10 meters of the Small Cell Facilities.

6.15.4 The City will include in any agreement or otherwise obligate other wireless services providers or communications services providers with permission from the City to use the Right-of-Way to provide wireless services to comply with the provisions of Section 6.15 of this Franchise to avoid, correct, and/or eliminate physical or harmful interference with Crown Castle's Small Cell Facilities.

6.15.5 The Parties acknowledge that the rules and regulations of the Federal Communications Commission regarding radio frequency interference apply to the terms of this Franchise.

## 7. ABANDONMENT, RELOCATION AND REMOVAL

7.1 Abandonment of Obsolete Facilities. Crown Castle shall remove or receive the City's permission to abandon Small Cell Facilities when such facilities are no longer used or useful regardless of whether or not it receives notice from the City. Unless the City sends notice that removal must be completed immediately to ensure public health, safety, and welfare, or that the Facilities may be abandoned, the removal must be completed within the earlier of 90 days of the Small Cell Facilities no longer being used or useful or within 90 days of receipt of written notice from the City. When Crown Castle removes or abandons permanent structures in the City Right-of-Way as allowed by this Franchise, Crown Castle shall notify the Director in writing of such removal or abandonment and shall file with the Director the location and description of each Small Cell Facility removed or abandoned. The Director may require Crown Castle to complete additional remedial measures necessary for public safety and the integrity of the City Right-of-Way. Small Cell Facilities not approved to be abandoned pursuant to this Section 7.1 shall be deemed an "Unauthorized Installation" and shall be subject to the imposition of Unauthorized Installation Charges as set forth in Section 5.4.

## 7.2 Removal Required by City.

7.2.1 Crown Castle shall, at its sole cost and expense, promptly disconnect, remove, or relocate the applicable Small Cell Facilities within the time frame and in the manner required by the Director if he/she reasonably determines that the disconnection, removal, or relocation of any part of the Small Cell Facilities (a) is necessary to protect the public health, safety, welfare, or City property, (b) the Small Cell Facilities, or portion thereof, is adversely affecting proper operation of streetlights or City property, or (c) Crown Castle fails to obtain all applicable licenses, Permits, and certifications required by Law for its Small Cell Facilities, or use of any licensed location under this Franchise. If the Director reasonably determines that there is imminent danger to the public, then the City may immediately secure, adjust, disconnect, remove, or relocate the applicable Small Cell Facilities at Crown Castle's sole cost and expense.

7.2.2 The Director shall provide 90 days' prior written notice to Crown Castle before removing a Small Cell Facility under this Section 7.2, unless there is imminent danger to the public health, safety, and welfare.

7.2.3 Crown Castle shall reimburse the City for the City's actual cost of removal of Crown Castle's Small Cell Facilities or PSE Poles in accordance with this Franchise within 30 days of receiving an invoice from the City.

## 7.3 Removal, Abandonment or Relocation by Crown Castle.

7.3.1 If Crown Castle removes or relocates any Small Cell Facilities at its own discretion, it shall notify the Director in writing not less than 10 business days prior to removal or relocation. Crown Castle shall obtain all Permits required for relocation or removal of its Small Cell Facilities prior to relocation or removal. Crown Castle shall also update the Inventory of its Small Cell Facilities required in Section 5.3 within 30 days of such removal or relocation.

7.3.2 The City shall not issue any refunds for any amounts paid by Crown Castle for any reason for Small Cell Facilities that have been removed.

7.3.3 In the event Crown Castle desires to abandon any part of the Small Cell Facilities in the City Right-of-Way, it shall file a written request with the Director describing the nature and location of the Small Cell Facilities to be abandoned. The Director may allow, condition or deny, at the Director's sole discretion, Crown Castle's request. If the Director does not respond to Crown Castle's request within 60 days, the request shall be deemed approved.

## 7.4 Removal or Relocation Required for City Project.

7.4.1 Crown Castle understands and acknowledges that the City may require Crown Castle to remove or relocate its Small Cell Facilities, or any portion thereof,

from the City Right-of-Way, and Crown Castle shall, at the Director's direction, remove or relocate the same at Crown Castle's sole cost and expense, whenever the Director reasonably determines that the relocation or removal is needed for any of the following purposes:

7.4.1.1 Required for the construction, completion, repair, widening, relocation, or maintenance of, or use in connection with, any City construction or maintenance project.

7.4.1.2 Required to locate the utilities underground as set forth in this Franchise.

7.4.2 In any such case, the City shall use reasonable efforts to afford Crown Castle a reasonably equivalent alternate location, if available.

7.4.3 If Crown Castle fails to remove or relocate the Small Cell Facilities, or any portion thereof, as requested by the Director within 90 days of Crown Castle's receipt of the request, then the City shall be entitled to remove the Small Cell Facilities, or any portion thereof, at Crown Castle's sole cost and expense, without further notice to Crown Castle, and Crown Castle shall, within 30 days following issuance of invoice for the same, reimburse the City for its reasonable expenses incurred in the removal (including, without limitation, overhead and storage expenses) of the Small Cell Facilities, or any portion thereof.

7.5 Removal Required After Termination or Expiration of Franchise. Within 30 days after termination or expiration of this Franchise, Crown Castle shall commence removal of all of Crown Castle's Small Cell Facilities from the City Right-of-Way and peaceably surrender the licensed location to City in the same condition the City Right-of-Way was in on the date the Permit was granted for that licensed location, excepting ordinary wear and tear. Removal of all of Crown Castle's Small Cell Facilities under this section shall be completed within 180 days. If Crown Castle fails to begin removal of the Small Cell Facilities on or before the 30th day after the Franchise expires or terminates or fails to complete removal within 180 days, the City may remove, store, or dispose of any remaining portion of the Small Cell Facilities in any manner the Director deems appropriate. Crown Castle shall, within 30 days after receipt of the City's written request and invoice, reimburse the City for all costs incurred by the City in connection therewith (including any reasonable overhead and storage expenses). The terms of this Section 7.5 shall not apply to Small Cell Facilities which may be abandoned in the City Right-of-Way pursuant to the written approval of the Director.

7.6 Removal Required After Revocation. Within 30 days after the date of the notice of revocation of a licensed location, Crown Castle shall commence removal of the Small Cell Facilities from the City Right-of-Way and peaceably surrender the licensed location to City in the same condition the City Right-of-Way was in on the date the Permit was granted for that licensed location, excepting ordinary wear and tear. If Crown Castle fails to complete removal within 90 days, the City may remove, store, or dispose of any remaining portion



of the Small Cell Facilities in any manner the Director deems appropriate. Crown Castle shall, within 30 days after receipt of the City's written request and invoice, reimburse the City for all costs incurred by the City in connection therewith, including any reasonable overhead and storage expense. The terms of this Section 7.6 shall not apply to Small Cell Facilities which may be abandoned in the City Right-of-Way pursuant to the written approval of the Director.

7.7 Ownership. The City agrees that no part of any Small Cell Facilities constructed, modified, or erected or placed within the City Right-of-Way by Crown Castle will become, or be considered by the City as being affixed to or a part of, the City Right-of-Way. All portions of the Small Cell Facilities constructed, modified, erected, or placed by Crown Castle on the City Right-of-Way will be and remain the property of Crown Castle and may be removed by Crown Castle at any time during or after the Term consistent with this Franchise.

7.8 Restoration. Crown Castle shall repair any damage to the City Right-of-Way, and the property of any third party resulting from Crown Castle's removal or relocation activities (or any other of Crown Castle's activities hereunder) within 10 days following the date of such removal or relocation, at Crown Castle's sole cost and expense, including restoration of the City Right-of-Way and such property to the same or better condition as it was immediately before the date Crown Castle was granted a Permit for the applicable licensed location, including restoration or replacement of any damaged trees, shrubs or other vegetation. Such repair, restoration and replacement shall be subject to the sole, reasonable approval of the Director.

7.9 Crown Castle Responsible. Crown Castle shall be responsible and liable for the acts and omissions of Crown Castle's employees, temporary employees, officers, directors, consultants, agents, affiliates, subsidiaries, sublicensees, sublessees, and subcontractors in connection with the performance of this Franchise, as if such acts or omissions were Crown Castle's acts or omissions.

## 8. INDEMINIFICATION AND INSURANCE

8.1 Indemnification. Crown Castle shall defend, indemnify, and hold harmless the City, its officers, officials, employees and volunteers from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of Crown Castle's use of the City's Rights-of-Way, or from the conduct of Crown Castle's business, or from any activity, work or thing done, permitted, or suffered by Crown Castle in or about the City Rights-of-Way, including, but not limited to, reasonable attorneys' fees and costs, except only such injury or damage as shall have been occasioned by the sole negligence of the City. This section shall survive the expiration or termination of the Franchise.

8.2 Insurance Term. Prior to the commencement of any work pursuant to this Franchise, Crown Castle shall procure and maintain for the duration of the Franchise, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the Crown Castle's operation and use of the City's Rights-of-

Ways. Crown Castle shall file with the City evidence of insurance coverage satisfactory to the City with minimum coverage and limits of liability specified below.

8.3 No Limitation. Crown Castle's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Crown Castle to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

8.4 Minimum Scope of Insurance. Crown Castle shall obtain insurance of the types and coverage described below:

8.4.1 Commercial General Liability insurance shall be at least as broad as Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover liability arising from operations, products-completed operations, and stop-gap liability as applicable. There shall be no exclusion for liability arising from explosion, collapse or underground property damage. The City shall be named as additional an insured on Crown Castle's Commercial General Liability insurance policy using ISO Additional Insured-Managers or Lessors of Premises Form CG 20 11 or a substitute endorsement providing at least as broad coverage.

8.4.2 Property insurance shall be written on an all risk basis.

8.5 Minimum Amounts of Insurance. Crown Castle shall maintain the following insurance limits:

8.5.1 Commercial General Liability insurance shall be written with limits no less than \$3,000,000 each occurrence, \$5,000,000 general aggregate;

8.5.2 Property insurance shall be written covering the full value of Crown Castle's property and improvements with no coinsurance provisions;

8.5.3 Automobile Liability insurance at least as broad as ISO CA 00 01 including coverage for owned, non-owned, leased, or hired vehicles, as applicable, with a minimum limit of \$3,000,000 each accident for bodily injury and property damage; and

8.5.4 Workers' Compensation insurance for Washington State as required by Title 51 RCW Industrial Insurance.

8.5.5 The City may reasonably increase the minimum policy limits and coverage from time to time as the City deems appropriate to adequately protect the City and the public.

8.6 Additional Insured. The Commercial General Liability insurance policy and Excess of Umbrella liability insurance, if any, shall name the City, its elected officials, officers, and employees as additional insureds as respects any covered liability arising out

of Crown Castle's performance of this Franchise. Coverage shall be in an occurrence form and in accordance with the limits and provisions specified herein. Claims-made policies are not acceptable. Such insurance shall not be canceled, nor shall the occurrence or aggregate limits set forth above be reduced, until the City has received at least thirty (30) days' advance written notice of such cancellation or change. Crown Castle shall be responsible for notifying the City of such change or cancellation.

8.7 Other Insurance Provisions. Crown Castle's Commercial General Liability insurance policy or policies are to contain, or be endorsed to contain that they shall be primary insurance as respect to the City. Any Insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Crown Castle's insurance and shall not contribute with it.

8.8 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

8.9 Verification of Coverage. Crown Castle shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Crown Castle.

8.10 Failure to Maintain Insurance. Failure on the part of Crown Castle to maintain the insurance as required shall constitute a material breach of the Franchise, upon which the City may, after giving 5 business days notice to Crown Castle to correct the breach, terminate the Lease or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand.

## 9. SECURITY

9.1 Within 30 days of the execution of this Franchise, Crown Castle shall maintain and furnish to the Director a Security in favor of the City. "Security" means either an executed performance bond, letter of credit, or a bank or cashier's check made payable to the City, or other form of security acceptable to the Director for the purpose of protecting the City from the costs and expenses associated with Crown Castle's failure to comply with its material obligations under and throughout the life of this Franchise, including but not limited to, (a) the City's restoration of its Right-of-Way; (b) the City's removal of any of Crown Castle's Small Cell Facilities that are abandoned without the Director's approval or not properly maintained or that need to be removed to protect public health, safety, welfare, or City property; or (c) the City's remediation of environmental and hazardous waste issues caused by Crown Castle after Crown Castle receives reasonable notice from the City of any of the non-compliance listed above and opportunity to cure.

9.2 The amount of the Security shall be determined by mutual agreement by Crown Castle and the City Attorney/Director in writing.

9.3 The Bond, if any, must be in a form approved by the City Attorney and issued by a corporate surety authorized and admitted to write surety bonds in Washington state. The surety must be listed on the current list of accepted sureties on federal bonds published by the United States Treasury Department or reinsured for any liability up to \$100,000.00, by a reinsurer listed on the U.S. Treasury list.

9.4 In the event the surety or party issuing the Security cancels or decides not to renew or extend the Security, Crown Castle shall obtain, and provide to the City Attorney for approval, a replacement Security with another surety, authorized to do business in Washington, within 30 days of the date the Security has been cancelled or non-renewed. If Crown Castle fails to provide the replacement Security within the 30-day period, the Director, after consulting with the City Attorney, may immediately suspend Crown Castle from any further performance under this Franchise and begin procedures to terminate for default pursuant to the terms of Section 13.4.

9.5 In the event that the City draws upon the Security, Crown Castle must replenish the amount of the Security within 30 days. Notwithstanding any provisions of this Franchise to the contrary, the Director shall be required to notify Crown Castle in writing as a precondition to drawing on, seeking payment under, or executing against the Security.

9.6 In the event that Crown Castle shall fully and faithfully comply with all of the terms of this Franchise, the City shall return the Security to Crown Castle within 60 days of the Franchise's expiration or termination, to the extent such Security is not otherwise applied consistent with this Franchise.

## 10. RECORDS AND REPORTS

10.1 Crown Castle shall maintain Records of its operations under this Franchise that are open and accessible to the City. The City shall have the ability to inspect such Records of Crown Castle as are reasonably necessary to monitor compliance with the Franchise at a local office during Normal Business Hours and upon reasonable notice. Such notice shall specifically reference the Section of the Franchise that is under review, so that Crown Castle may organize the necessary books and records for easy access by the City. Such notice shall not apply to the Public Records File required by the Federal Communications Commission. If any such Records are under the control of an affiliated entity or a third party or are stored in a computer, Crown Castle shall promptly take steps to secure access to such records as are reasonably necessary for the City's inspection. Alternatively, if the books and records are not easily accessible at the local office of Crown Castle, Crown Castle shall pay the reasonable travel costs of the City's representative to view the books and records at the appropriate location.

10.2 Crown Castle acknowledges that information submitted to the City is subject to the Washington Public Records Act, chapter 42.56 RCW, and is open to public inspection, subject to any exceptions permitted by law (unless an exemption applies).

10.3 Crown Castle may identify documents submitted to the City that Crown Castle believes are non-disclosable, such as trade secrets. Crown Castle shall prominently mark

any document for which it claims confidentiality with the mark “Confidential,” in letters at least one-half (1/2) inch in height, prior to submitting such document to the City. The City shall treat any document so marked as confidential and will not disclose it to Persons outside of the City, except as required by law and as provided herein. If the City receives a public disclosure request for any documents or parts of documents that Crown Castle has marked as “Confidential,” the City shall provide Crown Castle with written notice of the request, including a copy of the request. While it is not a legal obligation, the City, as a courtesy, will allow Crown Castle up to 10 business days to obtain and serve the City with a court injunction to prevent the City from releasing the documents. If Crown Castle fails to obtain a Court order and serve the City within the 10 business days, the City may release the documents. The City will not assert an exemption from disclosure or production on Crown Castle’s behalf.

## 11. EQUAL EMPLOYMENT

11.1 Non-Discrimination in Employment and Benefits. During the performance of this Franchise, Crown Castle agrees as follows:

11.1.1 Crown Castle shall not discriminate against any employee or applicant for employment because of race, religion, creed, color, sex, age, marital status, sexual orientation, gender identity, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification or any other unlawful basis. Crown Castle will make affirmative efforts to ensure that applicants are employed, and that employees are treated during employment, without regard to their creed, religion, race, color, sex, age, marital status, sexual orientation, gender identity, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical handicap. Such efforts shall include, but are not limited to, the following: employment, upgrading, demotion, or transfer; recruitment, or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

11.1.2 Crown Castle shall substitute the name of the subcontractor wherever the word “Crown Castle” appears in Subsection 11.1.1 and insert these revised provisions in all subcontracts for work covered by this Franchise.

11.1.3 By acceptance of this Franchise, Crown Castle is affirming that it complies with all applicable federal, state, and local non-discrimination laws.

## 11.2 Women and Minority Business Enterprises (“WMBE”).

11.2.1 Crown Castle shall use good faith efforts to promote and seek utilization of women and minority businesses for any subcontracting opportunities that arise in connection with this Franchise.

11.2.2 Efforts may include the use of solicitation lists, advertisements in minority community publications, breaking requirements into tasks or quantities that

promote WMBE utilization, making schedule or requirement modifications likely to assist WMBE firms, targeted recruitment, and using minority community and public organizations to perform outreach.

11.2.3 Record-Keeping: Crown Castle shall maintain, for at least 24 months after the expiration or earlier termination of this Franchise, relevant records and information necessary to document all Crown Castle's solicitations to subcontractors and suppliers, all subcontractor and supplier proposals received, and all subcontractor and suppliers actually utilized in meeting Crown Castle's Franchise obligations. The City shall have the right to inspect and copy such records.

11.2.4 Crown Castle shall ensure that all employees, particularly supervisors, are aware of, and adhere to, their obligation to maintain a working environment free from discriminatory conduct, including, but not limited to, harassment and intimidation of women or minority businesses.

11.2.5 Non-Discrimination: Crown Castle shall not create barriers to open and fair opportunities for WMBEs to participate in any City contract and to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services.

## 12. TRANSFER OR ASSIGNMENT

12.1 Neither Crown Castle nor any other Person may transfer the Facilities or the Franchise without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. No change in control of Crown Castle, defined as an acquisition of 50% or greater ownership interest in Crown Castle, shall take place without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. No consent shall be required, however, for (a) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of Crown Castle in the Franchise or in the Facilities in order to secure indebtedness, or (b) a transfer to an affiliated entity directly or indirectly owned or controlled by Crown Castle or its parent entities. Within 30 days of receiving a request for consent, the City shall, in accordance with FCC rules and regulations, notify Crown Castle in writing of the additional information, if any, it requires to determine the legal, financial and technical qualifications of the transferee or new controlling party. If the City has not taken action on Crown Castle's request for consent within 120 days after receiving such request, consent shall be deemed given.

12.2 Except as allowed in this Section 12, the Small Cell Facilities and this Franchise shall not be sold, assigned, transferred, leased or disposed of, either in whole or in part, either by involuntary sale or by voluntary sale, merger or consolidation; nor shall title thereto, either legal or equitable, or any right, interest or property therein pass to or vest in any Person without the prior written consent of the City, which consent shall not be unreasonably withheld.

12.3 Crown Castle shall promptly notify the City of any actual or proposed change in, or transfer of, or acquisition by any other party of control of Crown Castle. The word “control” as used herein is not limited to majority stock ownership but includes actual working control in whatever manner exercised. Every change, transfer or acquisition of control of Crown Castle shall make this Franchise subject to cancellation unless and until the City shall have consented thereto.

12.4 The parties to the sale, transfer or change of control shall make a written request to the City for its approval of a sale, transfer or change of control and shall furnish all information required by applicable law.

12.5 The City may condition the transfer of this Franchise upon such terms and conditions as it deems reasonably appropriate, including, for example, any adequate guarantees or other security, as allowed by applicable law. Additionally, the prospective controlling party or transferee shall effect changes as promptly as practicable in the operation of the Facilities, if any changes are necessary, to cure any violations or defaults presently in effect or ongoing.

12.6 The City shall act by ordinance or resolution on the request within 120 days of the request, provided it has received all information required by applicable law. Subject to the foregoing, if the City fails to render a final decision on the request within 120 days, such request shall be deemed granted unless the requesting party and the City agree to an extension of time.

12.7 Within 30 days of any transfer, sale or change of control, if approved or deemed granted by the City, Crown Castle shall file with the City a copy of the deed, agreement, lease or other written instrument evidencing such sale or transfer of ownership or control, certified and sworn to as correct by Crown Castle and the transferee or new controlling entity. In the event of a sale or transfer of ownership, the transferee shall also file its written acceptance agreeing to be bound by all of the provisions of this Franchise. In the event of a change in control, in which Crown Castle is not replaced by another entity, Crown Castle will continue to be bound by all of the provisions of the Franchise and will not be required to file an additional written acceptance. The approval of any change in control shall not be deemed to waive any rights of the City to subsequently enforce noncompliance issues relating to this Franchise.

12.8 Notwithstanding the foregoing, the City’s consent shall not be required for a hypothecation or an assignment of Crown Castle’s interest in the Franchise in order to secure indebtedness or for a transfer to an intra-company affiliate, provided that Crown Castle must reasonably notify the City within 30 days and the affiliate must have the requisite legal, financial and technical capability.

### 13. GENERAL PROVISIONS

13.1 Compliance with Laws. Notwithstanding anything to the contrary in this Franchise, each Party shall ensure that any and all activities it performs pursuant to this Franchise shall comply with all applicable Laws, including but not limited to: (a) worker’s

compensation laws, (b) unemployment compensation laws, (c) the Federal Social Security Law, (d) the Fair Labor Standards Act, and (e) all Laws relating to environmental matters and occupational safety.

13.2 Force Majeure. Except for payment of amounts due, neither Party shall have any liability for its delays or its failure of performance due to: fire, explosion, pest damage, power failures, strikes or labor disputes, acts of God, the elements, war, civil disturbances, acts of civil or military authorities or the public enemy, inability to secure raw materials, transportation facilities, fuel or energy shortages, or other causes beyond its control, whether or not similar to the foregoing.

13.3 Notices. All notices pursuant to this Franchise shall be in writing and delivered personally or transmitted either: by (i) U.S. Postal Service registered or certified mail, postage pre-paid; or (ii) pre-paid overnight delivery service. Notices shall be deemed given upon receipt in the case of personal delivery, 3 days after deposit in the mail, or the next day in the case of overnight delivery. All notices shall be sent to at the following addresses, provided that either Party may from time to time designate any other address for this purpose by written notice to the other Party delivered in the same manner set forth above.

If to City:

City of Mercer Island  
City Hall  
9611 SE 36th Street  
Mercer Island, WA 98040  
Attn: City Manager

If to Crown Castle:

WA – CLEC LLC  
c/o Crown Castle  
2000 Corporate Drive  
Canonsburg, PA 15317  
Attn: Ken Simon, General Counsel

With a copy to:

WA – CLEC LLC  
c/o Crown Castle  
2000 Corporate Drive  
Canonsburg, PA 15317  
Attn: SCN Contracts Management

24/7 emergency contact number:

(206) 275-7610

24/7 emergency contact information:

Telephone: (888) 632-0931  
Email: [SCN.NOC@crowncastle.com](mailto:SCN.NOC@crowncastle.com)

13.4 Termination.

13.4.1 Termination for Cause by City. If Crown Castle defaults under this Franchise, the City may terminate this Franchise subject to Crown Castle's ability to cure such defaults below. Default by Crown Castle includes, but is not limited to:

13.4.1.1 Failure of Crown Castle to comply with any material term of this Franchise;



13.4.1.2 Crown Castle becomes insolvent;

13.4.1.3 Crown Castle's failure to obtain all licenses, Permits, and certification required by the City under this Franchise (to the extent not unreasonably withheld by the City) and pay all fees associated therewith after the City has notified Crown Castle that licenses, Permits, and certifications must be obtained to work in the City Right-of-Way;

13.4.1.4 All or a substantial part of Crown Castle's assets are assigned for the benefit of its creditors;

13.4.1.5 A receiver or trustee is appointed for Crown Castle; or

13.4.1.6 Crown Castle fails to install any Small Cell Facilities in the City Right-of-Way within 1 year of the Effective Date of this Franchise.

13.4.2 If a default occurs, the City shall deliver a written notice to Crown Castle describing the default and the proposed termination date. If the City sends a default notice, Crown Castle shall have 60 days from the receipt of such notice to cure the default (unless the nature of the event takes longer to cure and Crown Castle commences a cure within such 60 day period and thereafter diligently pursues it, but will not exceed 180 days unless agreed to by the City, which agreement will not be unreasonably withheld). If Crown Castle cures the default before the proposed termination date, the proposed termination is ineffective.

13.4.3 If the default is not cured in the time and manner set out above, then the City may immediately terminate this Franchise by notifying Crown Castle in writing of such termination. After receiving the notice, Crown Castle shall immediately cease operations and remove its Small Cell Facilities from the City Right-of-Way in accordance with Section 7 of this Franchise, and any payment due shall be remitted by Crown Castle within 30 days of the receipt of the notice to the address in the Section 13.3 of this Franchise.

13.5 Governing Law. This Franchise shall be governed and construed by and in accordance with the laws of the state of Washington without regard to its conflict of law provisions.

13.6 Venue. Any litigation between the City and Crown Castle arising under or regarding this Franchise shall occur if in the state courts, in the King County Superior Court, and if in the federal courts, in the United States District Court for the Western District of Washington.

13.7 Interpretation. All headings contained in this Franchise are inserted for convenience only and are not intended to affect the meaning or interpretation of this Franchise or any clause. All exhibits referred to in this Franchise and any addenda, attachments, and schedules which may from time to time be referred to in any duly executed amendment to this Franchise are by such reference incorporated in this Franchise

and shall be deemed a part of this Franchise. Where appropriate: the singular shall include the plural and vice versa; “or” shall mean “and/or”; and “including” shall mean, including but not limited to.” In any case where the approval or consent of one Party hereto is required, requested or otherwise to be given under this Franchise, such Party shall not unreasonably delay, condition, or withhold its approval or consent.

13.8 Severability of Provisions. If any one or more of these provisions of this Franchise shall be held by court of competent jurisdiction in a final judicial action to be void, voidable, or unenforceable, such Provision(s) shall be deemed severable from the remaining provisions of this Franchise and shall not affect the legality, validity, or constitutionality of the remaining portions of this Franchise.

13.9 Waiver; Amendment. The waiver by either Party of any breach or violation of any provision of this Franchise shall not be deemed to be a waiver or continuing waiver of any subsequent breach or violation of the same or any other provision of this Franchise. This Franchise may not be amended except pursuant to a written instrument signed by both Parties. Any contractual amendments shall be approved by an ordinance of the City Council.

13.10 Representations and Warranties. Each of the Parties represents and warrants that it has the full right, power, legal capacity, and authority to enter into and perform the Parties’ respective obligations hereunder and that such obligations shall be binding upon such Party without the requirement of the approval or consent of any other person or entity in connection herewith, except as provided specifically herein.

13.11 Entire Franchise. This Franchise contains the entire understanding between the Parties with respect to the subject matter herein. There are no representations, agreements, or understandings, whether oral or written, between or among the parties relating to the subject matter of this Franchise which are not fully expressed herein.

13.12 Publication Costs. Crown Castle shall reimburse the City for the cost of publishing the Franchise ordinance within 30 days of receipt of the City’s invoice.

**IN WITNESS WHEREOF**, and in order to bind themselves legally to the terms and conditions of this Franchise, the duly authorized representatives of the Parties have executed this Franchise as of the Effective Date.

**CITY OF MERCER ISLAND**

**WA – CLEC LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

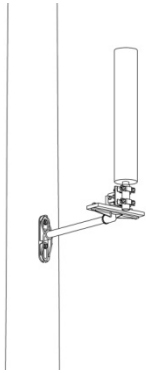
Date: \_\_\_\_\_

## EXHIBIT A

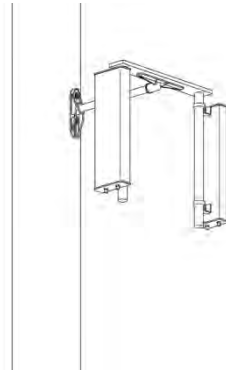
SITE NAME	ADDRESS LOCATION
MIN 01	2907 70th Avenue SE, Mercer Island, WA 98040
MIN 02	7233 SE 29th Street, Mercer Island, WA 98040
MIN 03	6175 SE 27th Street, Mercer Island, WA 98040
MIN 04	2416 70th Avenue SE, Mercer Island, WA 98040
MIN 05	3028 51st Avenue SE, Mercer Island, WA 98040
MIN 06	6805 SE 32nd Street, Mercer Island, WA 98040
MIN 07	2740 West Mercer Way, Mercer Island, WA 98040
MIN 08	3844 Greenbrier Lane, Mercer Island, WA 98040
MIN 09	3633 90th Avenue SE, Mercer Island, WA 98040
MIN 10	4027 93rd Avenue SE Mercer Island, WA 98040
MIN 11	3209 Shorewood Drive, Mercer Island, WA 98040
MIN 12	4030 96th Avenue SE, Mercer Island, WA 98040
MIN 13	2702 71st Avenue SE, Mercer Island, WA 98040
MIN 14	3450 West Mercer Way, Mercer Island, WA 98040
MIN 15	3720 Gallagher Hill Road, Mercer Island, WA 98040
MIS 01	8215 SE 78th Street, Mercer Island, WA 98040
MIS 02	8800 SE 78th Street, Mercer Island, WA 98040
MIS 03	7432 78th Avenue SE Mercer Island, WA 98040
MIS 04	7217 West Mercer Way, Mercer Island, WA 98040
MIS 05	7820 – 79th Avenue SE, Mercer Island, WA 98040
MIS 06	8225 SE 72nd Street, Mercer Island, WA 98040
MIS 07	7236 91st Avenue SE, Mercer Island, WA 98040
MIS 08	6950 93rd Avenue SE, Mercer Island, WA 98040
MIS 09	8124 SE 73rd Street, Mercer Island, WA 98040
MIS 10	7 Holly Lane, Mercer Island, WA 98040
MIS 11	4324 West Mercer Way, Mercer Island, WA 98040
MIS 12	4803 West Mercer Way, Mercer Island, WA 98040
MIS 13	4880 Forest Avenue SE, Mercer Island, WA 98040
MIS 14	5261 West Mercer Way, Mercer Island, WA 98040
MIS 15	8015 SE 58th Street Mercer Island, WA 98040
MIS 16	7775 Shore Lane, Mercer Island, WA 98040
MIS 17	6571 80th Avenue SE, Mercer Island, WA 98040
MIS 18	6315 77th Avenue SE, Mercer Island, WA 98040
MIS 19	6226 Island Crest Way, Mercer Island, WA 98040
MIS 20	4500 West Mercer Way, Mercer Island, WA 98040
MIS 21	5033 West Mercer Way, Mercer Island, WA 98040
MIS 22	6180 West Mercer Way, Mercer Island, WA 98040
MIS 23	7130 78th Avenue SE, Mercer Island, WA 98040
MIS 24	7607 79th Avenue SE, Mercer Island, WA 98040

EXHIBIT B

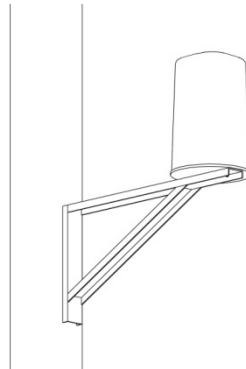
# Communication Space Antenna Designs



**Cylindrical-style antenna**



**Panel-style antenna(s)**



**Drum-style antenna**

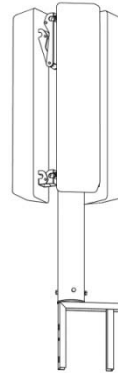
**All antennas shall be flush-mounted.**

Scale approximate

# Pole Top Antenna Designs



**Cylindrical-style antenna**



**Panel-style antenna(s)**



**Cylindrical-style antenna**



**Drum-style antenna**

Scale approximate

# Pole Top Antenna Designs



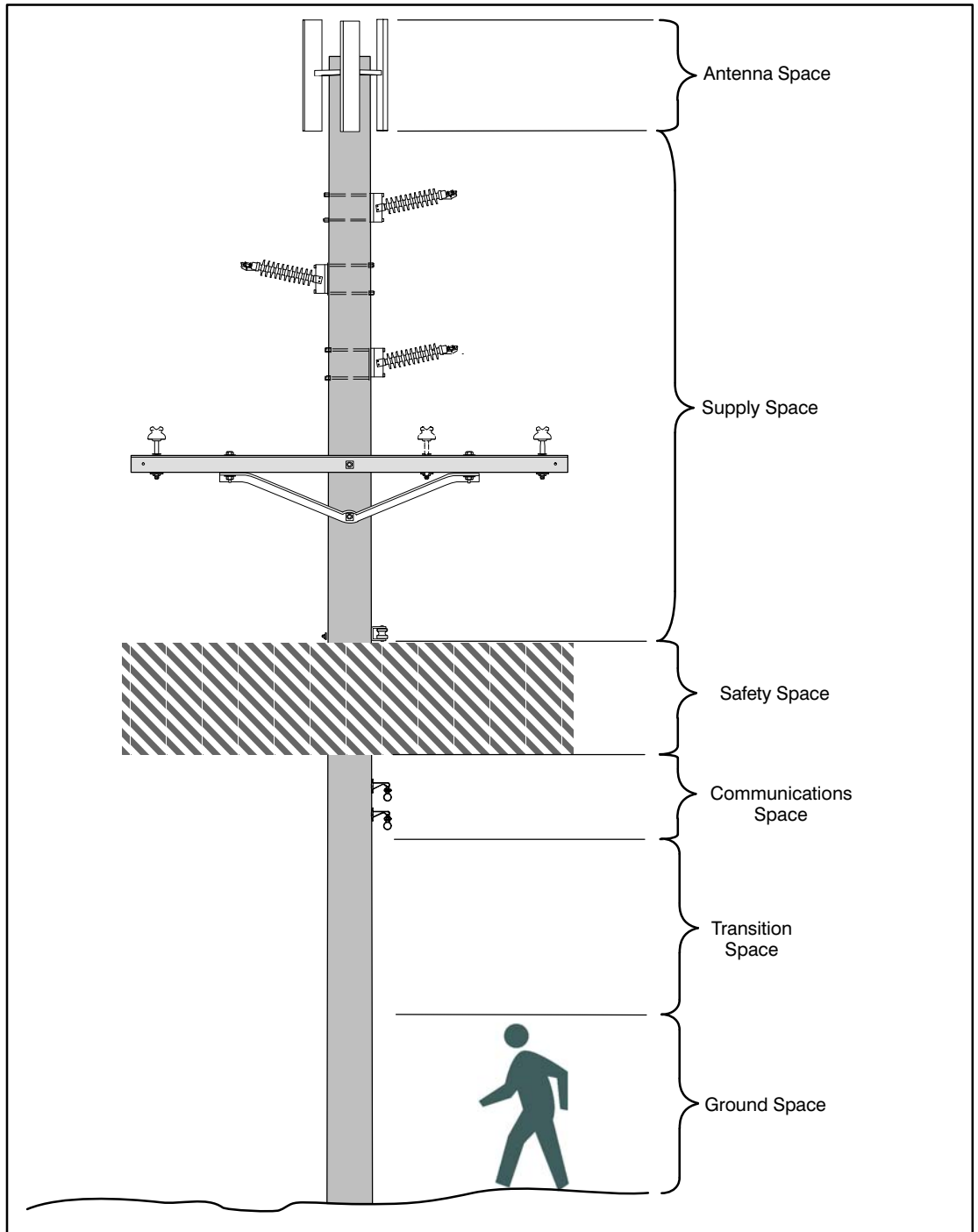
Omni (“whip”)-style antenna

Cylindrical-style antenna atop  
panel-style antenna(s):

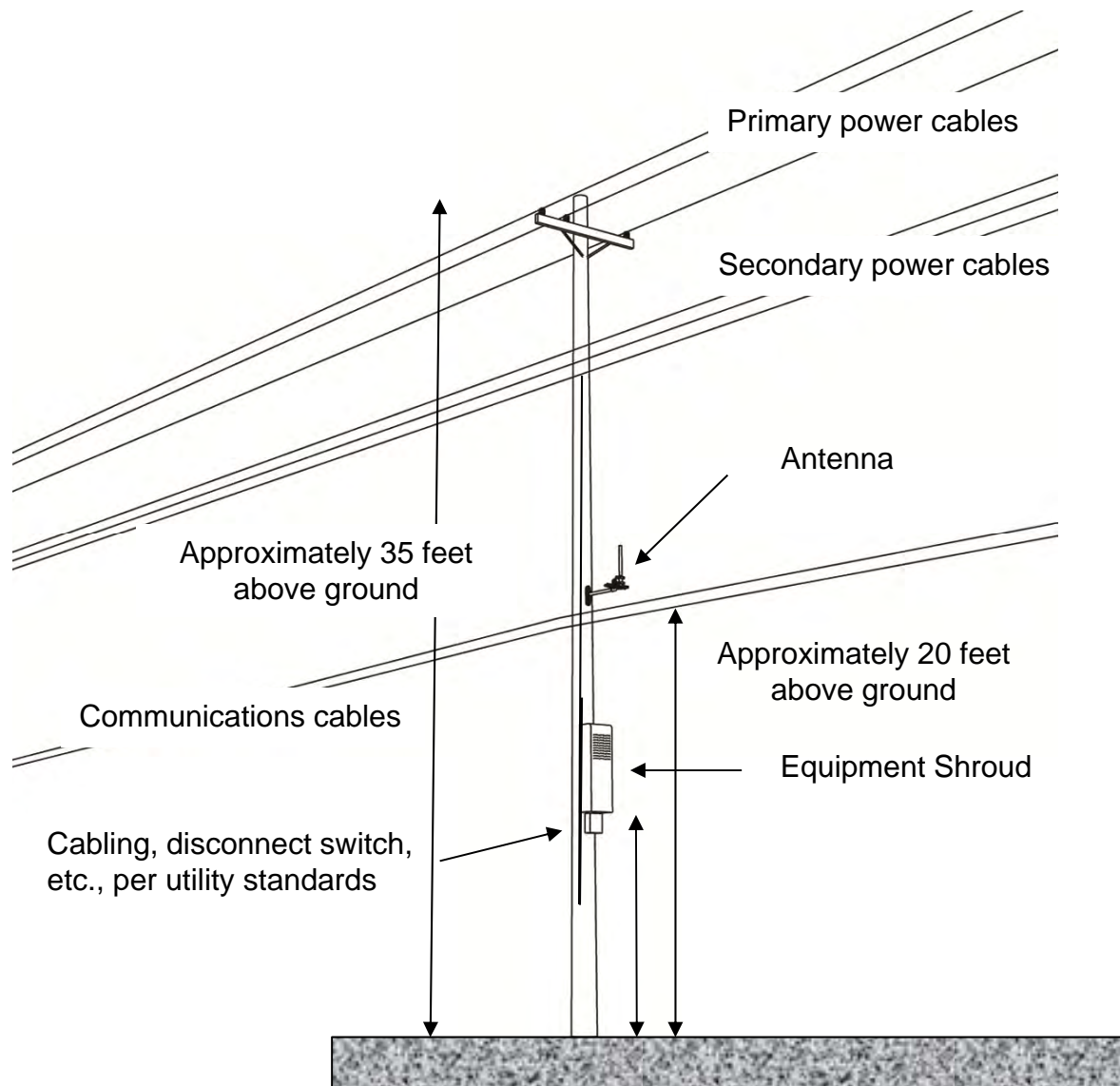
Scale approximate

EXHIBIT C

# PSE Pole Diagrams



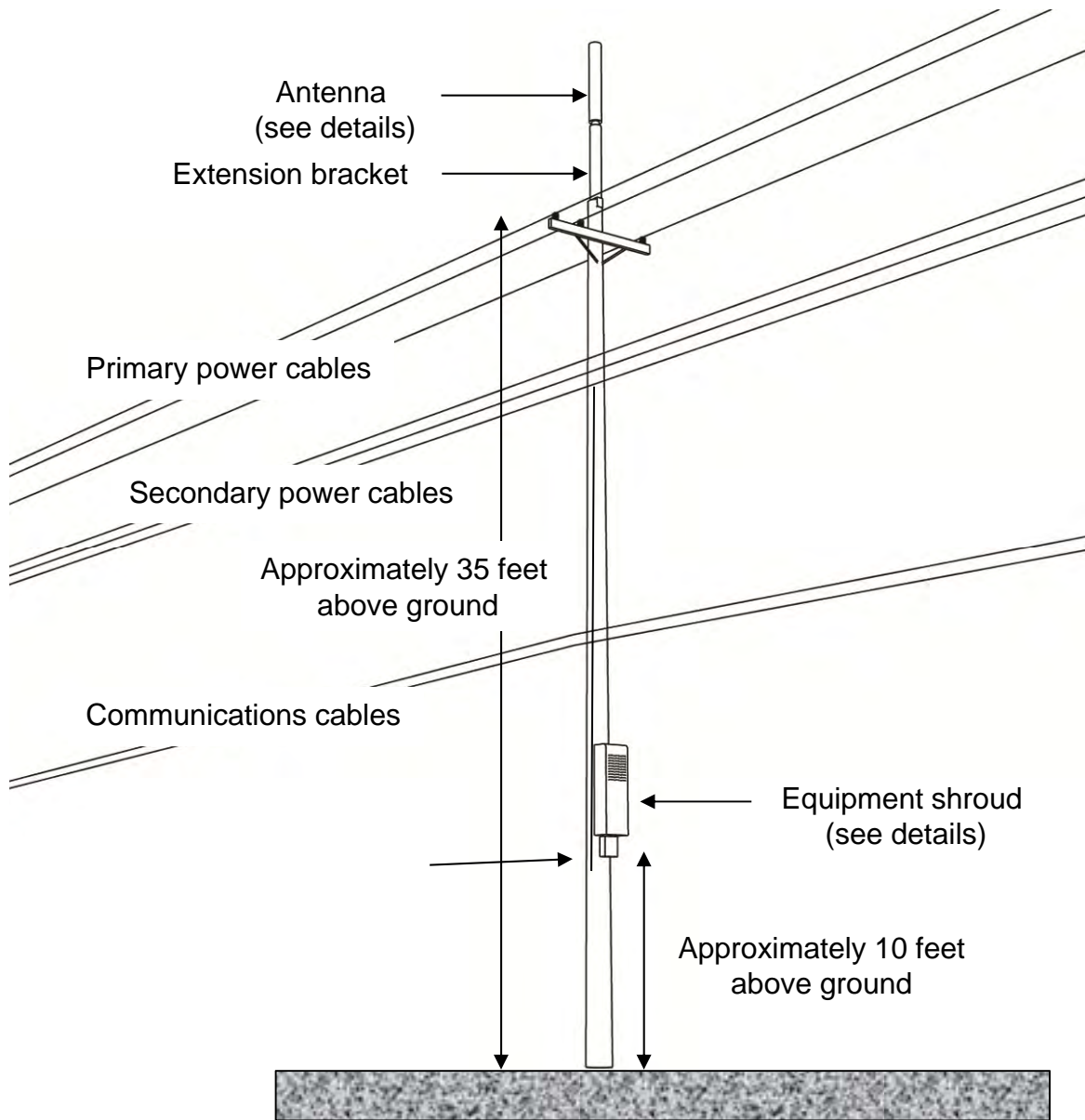
# Antenna in Communication Space



Scale approximate  
Construction will meet national and local utility safety codes



# Antenna on Pole-top



Scale approximate  
Construction will meet national and local utility safety codes



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

**AB 5236  
December 5, 2016  
Regular Business**

**DRAFT 2017 LEGISLATIVE PRIORITIES**

**Proposed Council Action:**

Review the proposed Draft 2017 Legislative Priorities.

**DEPARTMENT OF**

City Manager (Kirsten Taylor)

**COUNCIL LIAISON**

n/a

**EXHIBITS**

1. DRAFT City of Mercer Island 2017 Legislative Priorities
2. City of Mercer Island 2016 Legislative Priorities
3. City of Mercer Island 2016 Legislative Priorities End of Session Update 4/8/16
4. Association of Washington Cities (AWC) 2017 Legislative Session City Priorities
5. Sound Cities Association (SCA) 2017 Legislative Agenda
6. King County Proposed Behavioral Health Legislative Priorities for 2017
7. Washington Recreation & Park Association 2017 Legislative Agenda
8. City Environmental Health Legislative Priorities Memo
9. City DSG Proposed Legislative Priority Memo

**APPROVED BY CITY MANAGER**

<b>AMOUNT OF EXPENDITURE</b>	\$	n/a
<b>AMOUNT BUDGETED</b>	\$	n/a
<b>APPROPRIATION REQUIRED</b>	\$	n/a

**SUMMARY**

The draft City of Mercer Island 2017 Legislative Priorities is attached as Exhibit 1. Once adopted, the Legislative Priorities will be a guide for 2017 work with area legislators. The adopted Legislative Priorities allow the City to respond quickly and efficiently to issues of interest that arise in Olympia during the WA State Legislative Sessions. This also allows the Mayor, Council and staff to respond to requests for endorsement letters and other opportunities to advocate for the City's Legislative Priorities. The City's 2016 State Legislative Priorities and a 2016 end of session update are included as Exhibits 2 and 3.

**2017 STATE LEGISLATIVE SESSION**

The 2017 Washington State Legislative Regular Session will begin on January 9, 2017 and end on or by April 23, 2017. The Legislature works within the framework of a two-year cycle. The entire 2017-2018 Session is considered the 65<sup>th</sup> Session of the Legislature and will contain at least two regular sessions. A "long" session will be held in 2017 (105 days) and a "short" session in 2018 (60 days). There could also be any number of special sessions called by the Governor during each two-year cycle, none of which can last longer than 30 days.

## **PROPOSED CITY 2017 LEGISLATIVE PRIORITIES**

Mercer Island Councilmembers and staff are represented on regional committees that have completed legislative priorities and agendas (see below), while a few more are still finalizing their recommendations [Eastside Transportation Partnership, A Regional Coalition for Housing (ARCH)]. Staff has categorized various proposed legislative priorities that include recommendations from the following regional organizations and committees:

1. Association of Washington Cities (AWC) 2017 Legislative Session City Priorities (Exhibit 4)
2. Sound Cities Association (SCA) 2017 Legislative Agenda (Exhibit 5)
3. King County Proposed Behavioral Health Legislative Priorities for 2017 (Exhibit 6)
4. Washington Recreation & Park Association 2017 Legislative Agenda (Exhibit 7)

In addition, City staff has provided memos outlining the following interests for Council consideration:

5. City Environmental Health Legislative Priorities (Exhibit 8)
6. City Development Services Proposed Legislative Priority (Exhibit 9)

Staff is also recommending legislative priorities supporting education funding and funding for the Aubrey Davis Park Master Plan. Staff consulted with the Mercer Island School District on the language included in the proposed Education Funding Legislative Priorities, and will work with Representative Clibborn's staff to further the state funding request for the park master plan. Also, A Regional Coalition for Housing (ARCH) Board is expected to consider housing recommendations later this month; thus, Council will be updated prior to final adoption of legislative priorities.

Staff is requesting that Council review the proposed 2017 State Legislative Priorities and provide comments and direction for final review and adoption at the January 3, 2017 City Council meeting.

## **RECOMMENDATION**

*Assistant City Manager*

Review the draft 2017 State Legislative Priorities (Exhibit 1) and provide comments and direction to staff for final review and adoption at the January 3, 2017 City Council meeting.



# City of Mercer Island

## DRAFT 2017 State Legislative Priorities

The City of Mercer Island supports the following legislative priorities for 2017:

### **EDUCATION FUNDING LEGISLATIVE PRIORITIES:**

- Request state legislature to comply with the McCleary ruling and fully fund basic education, while ensuring that all districts either maintain the same or receive increased per-student public funding from all local and state sources over 2015-2016
- Support state funding for counselors in each school to help address mental health and social emotional learning

### **RECREATIONAL LEGISLATIVE PRIORITIES:**

- Include state funding of at least \$200,000 for Aubrey Davis Park Master Planning project
- Enhance Washington Wildlife and Recreation Program (WWRP) Funding in 2015-17 Capital Budget
- Maximize Competitive Grant Funding for the Youth Athletic Facilities (YAF) Program

### **ASSOCIATION OF WASHINGTON CITIES LEGISLATIVE PRIORITIES:**

- Modernize the Public Records Act (PRA) so that cities can continue to provide open and transparent government services to our residents
- Enhance efforts to increase affordable housing, decrease homelessness, and improve a strained behavioral health system
- Revitalize key infrastructure assistance programs that support job creation, community health and safety, and quality of life
- Respect city authority to respond to local needs
- Preserve the city-state budget partnership

### **SOUND CITIES ASSOCIATION LEGISLATIVE PRIORITIES:**

- Adjust the property tax cap
- Invest in health services
- Address the housing and homelessness crisis.

### **ENVIRONMENTAL HEALTH LEGISLATIVE PRIORITIES:**

- Work in partnership with Puget Sound Energy and the K4C to phase out coal-fired electricity sources by date certain
- Support legislation that helps maintain growth in rooftop solar adoption by fixing state incentive program.
- Set a statewide price on carbon pollution.
- Reduce transportation-related carbon emissions
- Support green building and energy efficiency
- Endorse sign-on letters to state regulatory bodies that advocate for progressive clean energy measures

### **HOUSING LEGISLATIVE PRIORITIES:**

- *To be updated with potential ARCH recommendations prior to final approval of legislative priorities*

**PUBLIC HEALTH LEGISLATIVE PRIORITIES:**

- Increase the purchase age for tobacco and vapor products from 18 to 21
- Expand access to treatment for opiate use disorder and overdose education and prevention

**COST RECOVERY LONG-RANGE PLANNING AND CODE ENFORCEMENT LEGISLATIVE PRIORITIES:**

- Support allowing the collection of reasonable fees or alternative methods of financing long-range planning and code enforcement costs

DRAFT



# City of Mercer Island

## 2016 State Legislative Priorities

The City of Mercer Island supports the following legislative priorities for 2016:

### **EDUCATION FUNDING LEGISLATIVE PRIORITIES:**

- Request state legislature to comply with the McCleary ruling and fully fund basic education, while ensuring that all districts either maintain the same or receive increased per-student public funding from all local and state sources over 2015-2016.
- Support state funding for counselors in each school to help address mental health and social emotional learning.

### **RECREATIONAL LEGISLATIVE PRIORITIES:**

- Support recreational immunity bill clarifying that recreational properties may support other lawful purposes.

### **ASSOCIATION OF WASHINGTON CITIES LEGISLATIVE PRIORITIES:**

- Halt the diversion of funds from critical infrastructure programs to help cities grow and prosper.
- Ensure sufficient and flexible revenue for essential city services.
- Help cities prepare for and address impacts of natural disasters and other emergencies.
- Strengthen the Public Records Act in response to changing technology and burdensome requests.
- Enhance the provision of much needed human service programs to address issues that drive increased homelessness and public safety costs.

### **ENVIRONMENTAL HEALTH LEGISLATIVE PRIORITIES:**

- Work in partnership with Puget Sound Energy and K4C to phase out coal-fired electricity sources by 2025.
- Support legislation that helps maintain growth in rooftop solar adoption by fixing constraints built into the current State incentive program.
- Endorse sign-on letters to state regulatory bodies that advocate for progressive clean energy measures.
- Set a statewide price on carbon pollution.
- Support the aims of the Safe Energy Leadership Alliance (SELA).

### **HOUSING LEGISLATIVE PRIORITIES:**

- Provide a variety of discretionary tools to help jurisdictions add affordable housing units, including but not limited to: Transit Oriented Development (TOD) incentives; a third one-quarter of one percent Real Estate Excise Tax (REET 3) dedicated to affordable housing; increasing the amount of funding for the Housing Trust Fund; and a demolition tax with revenue targeted towards affordable housing.

### **PUBLIC HEALTH LEGISLATIVE PRIORITIES:**

- Increase the purchase age for tobacco and vapor products from 18 to 21, and regulate vapor products.
- Create a Certificate of Restoration of Opportunity for people with criminal histories.
- Expand access to opiate overdose prevention and medication-assisted treatment.
- Refine the assisted outpatient treatment law to support effective implementation of less restrictive alternative treatment.

Adopted January 4, 2016



# City of Mercer Island

## 2016 State Legislative Priorities

### End-of Session Update 4/8/16

The 2016 legislative Session adjourned sine die on March 29, 2016. This update includes a list of letters and/or actions by the City during the State Legislative Session, with results as noted:

#### EDUCATION FUNDING LEGISLATIVE PRIORITIES:

- City passed Mercer Island Resolution No. 1511 on 1/19/2016, requesting state legislature to comply with the McCleary ruling and fully fund basic education, while ensuring that all districts either maintain the same or receive increased per-student public funding from all local and state sources over 2015-2016.
- City sent letter 1/20/2016 to legislative delegation with Resolution No. 1511.
- **Legislature achieved limited forward momentum, resulting in agreement on rules to proceed with the funding discussion in the 2017 Legislative Session.**

#### RECREATIONAL LEGISLATIVE PRIORITIES:

- Parks and Recreation Director Bruce Fletcher and City Attorney Kari Sand worked with WRPA (Washington Recreation and Parks Association) lobbyist Doug Levy to garner support for **SB 6384 (recreational immunity)**, which was prime-sponsored by Senator Curtis King (R. Yakima) who is the Chair of the Senate Transportation Committee.
- Letter of support for SB 6384 was sent 1/29/2016. Certain opponents of the proposed bill expressed concerns, namely representatives of Washington Bikes and Cascade Bicycle Club, that the bill goes “too far” to insulate landowners from immunity. Senator King decided **not** to hold a hearing on **SB 6384** this Legislative session and instead encouraged further dialogue over the interim between supporters and opponents of **SB 6384** in efforts to reach some type of consensus or at least narrow differences. Staff is hopeful that the follow-up discussions during the interim will be productive and that **SB 6384** will gain traction in the 2017 Legislative session.
- **Bill did not pass out of committee, expect to be reintroduced next year.**

#### ASSOCIATION OF WASHINGTON CITIES LEGISLATIVE PRIORITIES:

- **For a full report on AWC legislative priorities go to:**  
<http://www.awcnet.org/Advocacy/Newsandupdates/LegislativeIssues/TabId/677/ArtMID/1863/ArticleID/1380/AWC-state-budget-alert.aspx>
- Halt the diversion of funds from critical infrastructure programs to help cities grow and prosper.
  - For all intents and purposes, this budget kills the Public Works Trust Fund.
- Ensure sufficient and flexible revenue for essential city services.
  - Varied results. See following link for details.  
<http://www.awcnet.org/portals/0/documents/legislative/201517CompromiseBudgetProposals.pdf>
- Help cities prepare for and address impacts of natural disasters and other emergencies.
  - Significant funding passed to address wild fire management. Details uncertain at this time.
- Strengthen the Public Records Act in response to changing technology and burdensome requests.

- The City sent a letter of support for House Bill 2576 on 2/1/2016 confirming cities' commitment to open government, while at the same time providing cities with practical tools to manage the serial, harassing, profit-motivated and burdensome requests that greatly strain cities' resources and ultimately undermine the intent of the Public Records Act. Funding was added to the House budget for the Ruckelshaus Center to study issues around public records. AWC will continue to work on this issue and engage stakeholders over the interim in preparation for the 2017 session. **The bill did not pass out of committee.**
- The City sent a letter of support for House Bill 2290 on 2/1/2016 concerning the growing fiscal burden of responding to public records requests from out of state requestors. **The bill did not pass out of committee.**
- Enhance the provision of much needed human service programs to address issues that drive increased homelessness and public safety costs.
  - AWC maintains an AWC BillTracker that show real-time status and background on bills AWC deems important to cities. You can access this at <http://www.awcnet.org/Advocacy/BillTracker.aspx>

#### ENVIRONMENTAL HEALTH LEGISLATIVE PRIORITIES:

- **Safe Energy Leadership Alliance's letter to the Department of Interior Regarding Coal Leasing.** The City of Mercer Island signed onto this letter to DOI supporting the updating of the current federal coal program is needed to meet the following goals: Improve Transparency, Coordination, and Comprehensiveness of Environmental Review, Ensure Fair Market Value Returned to Public, and Provide Greater Certainty for Reclamation. **Letter sent 2/1/2016**
- **Joint Comment Letter on Puget Sound Energy's Integrated Resource Plan (IRP).** The City of Mercer Island signed on to this letter encouraging the IRP to be enhanced in the following ways: a Clear Path for Colstrip Retirement, Reduced Reliance on New Natural Gas Generation Sources, and a Greater Focus on Clean Energy Solutions. **Added signature to letter 2/3/2016**
- **Phasing out coal.** With support from the K4C, and other environmental partners, a bill was signed by the Governor giving Puget Sound Energy (PSE) the authority to direct funds toward the early closure of dirty coal-burning electricity plants in Montana (the Colstrip complex), opening the way for timeline planning and the identification of clean replacement energy sources. The bill covers only the two dirtiest of the PSE's four generating plants, so further work to address this may occur next Leg Session.
- **Solar Adoption.** Unfortunately, a bill to fix flaws in the State's current solar energy incentive program passed the House resoundingly, but stalled in the Senate Ways and Means Committee, ultimately held hostage for broader State budget negotiations. This will result in decreased rates of solar array installation as incentive rates now begin a decline until the end of the program (currently set at June 2020). This bill will likely be reintroduced again next year by the Solar Installers of Washington.
- **Price on Carbon.** Backers of I-732 (the "revenue-neutral" carbon tax, led by Carbon Washington) asked the Legislature to fix some erroneous language in their proposal, which the Legislature declined to do. This Initiative will therefore proceed to voters this fall as is, unless withdrawn. Meanwhile, a competing measure led by the Alliance for Jobs & Clean Energy, and that favored a carbon fee (not revenue-neutral), was withdrawn this spring so as not to confuse voters this fall.

#### HOUSING LEGISLATIVE PRIORITIES:

- **Awaiting information update from ARCH.**



#### **PUBLIC HEALTH LEGISLATIVE PRIORITIES:**

- Increase the purchase age for tobacco and vapor products from 18 to 21, and regulate vapor products.
  - HB 2313/ SB 6157 did not progress during this legislative session.
  - HB 2588 to regulate aspects of the vape product industry did not pass.
  - ESSB 6328 Revised for 1<sup>st</sup> Substitute, (Senate companion bill to 2588, Revised for Engrossed) concerning vapor products **Delivered to the Governor for signatures.**
- Create a Certificate of Restoration of Opportunity for people with criminal histories.
  - 2ESHB **passed into law; effective date 6/9/2016.**
- Expand access to opiate overdose prevention and medication-assisted treatment.
  - On 3/30/2016, the Secretary of the Department of Health and Human Services (HHS) proposed a rule to increase the highest patient limit for qualified physicians to treat opioid use disorder under section 303(g)(2) of the Controlled Substances Act (CSA) from 100 to 200. The purpose of the proposed rule is to increase access to treatment for opioid use disorder while reducing the opportunity for diversion of the medication to unlawful use. Final action unknown at this time.
- Refine the assisted outpatient treatment law to support effective implementation of less restrictive alternative treatment.
  - SHB 2541 **passed into law; effective date 6/9/2016.**

#### **OTHER**

- City sent letter supporting House Bill 1802, concerning optional methods of financing long-range planning costs. HB 1802 would allow cities and counties to collect reasonable fees to cover the cost of long-range planning activities. **Bill failed to pass out of committee.**



### Public Records

**Modernize the Public Records Act (PRA) so that cities can continue to provide open and transparent government services to our residents**

Every day, local government officials ensure transparency in government and serve as stewards of public resources by effectively implementing the PRA. However, advances in technology and the increased volume and complexity of records requests are undermining the PRA. This act must be updated to reflect 21st century realities in order to fulfill its original purpose, provide government transparency, and make wise use of taxpayer dollars.

**Cities ask the Legislature to:**

- Permit cities to charge for providing complex digital data and electronic copies of public records, similar to charges for making a paper copy.
- Develop an alternative dispute resolution system that serves government agencies and requestors to quickly resolve disagreements without costly litigation.
- Designate technical and funding assistance by restoring funding to grant programs that help local governments.



### Homelessness, Housing & Human Services

**Enhance efforts to increase affordable housing, decrease homelessness, and improve a strained behavioral health system**

Urban and rural cities throughout the state are grappling with increasing homeless populations, lack of affordable housing, and a poorly-funded mental health and substance abuse system. Cities are struggling to solve these issues with limited resources. Together with the state, counties, and nonprofit partners, we support efforts to develop new strategies that address the issues plaguing our human service, homeless support, and affordable housing systems.

**Cities ask the Legislature to:**

- Make the document recording fee permanent and increase the fee to expand investments in homelessness assistance.
- Invest another \$200 million in the Housing Trust Fund, the preeminent tool in the state to fund affordable housing construction.
- Create new local options to generate revenue for homelessness services and for affordable housing construction.
- Ensure full authority to allow the state to maximize federal Medicaid resources and provide additional resources for mental health and chemical dependency services.

**In order for Washington State to be its best and attract the best, our 281 cities and towns must be strong.**

- Cities are where more than 4.6 million people call home, and this number is growing quickly.
- Cities are where the majority of the state’s revenues are generated, including \$1.3 billion in property taxes, and \$7.5 billion in sales tax.
- Cities contain the state’s economic engines, where 69% of job-generating businesses are located.

more priorities on back

### Contact:

**Dave Williams**  
 Director of Government Relations  
 davew@awcnet.org • 360.753.4137





## Local Infrastructure

**Revitalize key infrastructure assistance programs that support job creation, community health and safety, and quality of life**

City infrastructure systems are a critical part of a larger network that serves and benefits the entire state. Diversion from programs that support basic local infrastructure means that communities cannot affordably maintain and secure new infrastructure.

**Cities ask the Legislature to:**

- Provide stable and reliable infrastructure assistance to help cities overcome the financial challenges of building and repairing local systems that support economic development and benefit the entire state.
- Commit to a proactive state partnership in key programs like the Public Works Trust Fund. If current programs are not sustainable, they need to be reformed.



## Local Authority

**Respect city authority to respond to local needs**

With the Great Recession behind us, cities are looking for stable revenue to provide essential services to our growing population, such as public safety and infrastructure. City officials are elected and must have the authority to solve local challenges.

**Cities ask the Legislature to:**

- Respect cities' local authority for revenue, taxes, licensing, and regulation.
- Limit property tax revenue to inflation and population growth.



## City-State Partnership

**Preserve the city-state budget partnership**

Over the last few years, the state has balanced its budget at the expense of cities. While we understand the fiscal challenges the Legislature faces, we cannot accept that sweeping critical funds from their intended uses is in the best interest of our state. AWC supports the Legislature in securing sufficient revenue to fund state programs and obligations, and therefore unilaterally eliminating or significantly reducing state funding to cities is not acceptable.

**Cities ask the Legislature to:**

- Maintain the city-state shared revenue partnership for funding key services.
- Provide adequate and sustainable funding for the Criminal Justice Training Commission to maintain high-quality statewide training for law enforcement personnel.
- Continue the current funding from local liquor revenue distributions to the Municipal Research and Services Center (MRSC), which provides vital support for local government performance.

For more detailed information on each of these priorities, issue briefs are available on our website.

[www.awcnet.org/advocacy](http://www.awcnet.org/advocacy)

Contact:

**Dave Williams**

Director of Government Relations  
davew@awcnet.org • 360.753.4137





To provide leadership through advocacy, education, mutual support and networking to cities in King County as they act locally and partner regionally to create livable vital communities.

## **SCA 2017 Legislative Agenda**

### **Adjust the Property Tax Cap**

Property tax is the largest revenue source for Washington’s cities, supporting critical services such as justice, health, and safety. Property taxes are capped at a level that creates an ever-widening gap between the cost of providing public services to a growing population and the revenue available to pay for them. A new property tax limit should correspond to what it actually costs local governments to continue providing services, and keep up with increased public demand.

- *The Sound Cities Association urges the Legislature to give local governments the option to replace the arbitrary annual 1% cap on property tax revenues with a growth limit whose maximum is inflation plus the rate of population growth.*

### **Invest in Public Health Services**

Protect our communities by investing in core public health services. The 40% per capita decrease in public health funding since 1999 is reaching crisis levels across the state. The funding shortfall has left Public Health–Seattle & King County unable to fully investigate disease outbreaks. The Washington State Department of Health is requesting \$54 million for local public health jurisdictions to fill critical gaps in disease prevention and response, and to pilot shared services to improve the efficiency of the overall system.

- *The Sound Cities Association urges the Legislature to fund basic public health by investing \$54 million in core public health services.*

### **Address the Housing and Homelessness Crisis**

Our communities face an affordable housing and homelessness crisis. Over 4,500 people are surviving unsheltered on any given night in King County, and others, including older adults and moderate and low-wage workers of all ages, are struggling to find affordable, quality housing in our region. Partnerships between state and local governments are critical to create new units of affordable housing, renewed state commitments to help Washingtonians transition out of homelessness, and expanded investments to address behavioral health needs and other root causes of homelessness.

- *The Sound Cities Association urges the Legislature to partner with us to address homelessness and increase the supply of affordable housing in the following ways:*
  - *Expand and make permanent the Document Recording Fee*
  - *Invest \$200 million in the Housing Trust Fund*
  - *Allow local governments to create and preserve affordable housing through a Preservation Tax Exemption and other optional local tools*
- *The Sound Cities Association urges the Legislature to address other underlying causes of homelessness by making investments in our state’s behavioral health system and enacting legislation to prohibit Source of Income Discrimination.*



## **2017 State Priorities**

### **1. Create community-based capacity to prevent and/or shorten hospitalization.**

Support state hospital access and discharge by increasing community capacity, including community-based stepdown/interim re-entry programs for hospital patients, a new crisis diversion facility, expanded crisis respite services, increased flexible engagement services including outreach to unhoused people and access to preventive outpatient care for those without Medicaid.

### **2. Expand student loan repayment assistance to address the public behavioral health workforce crisis.**

Expand the state's existing health professional loan repayment program (HPLRP) to support the behavioral health workforce, helping meet demand for care in community-based agencies and address state hospital staffing shortages. Add \$2 million or more per biennium above current levels. Prioritize funds for workers at community agencies alongside state hospitals.

### **3. Expand access to treatment for opiate use disorder and overdose education and prevention.**

Remove policy barriers to treatment access, and invest up to \$6.6 million per biennium in Medication Assisted Treatment (MAT), overdose reversal, and preventive education.

### **4. Raise the purchase age for tobacco and vapor products from 18 to 21.**

Raise the purchase age for tobacco and vapor products to 21 to improve health, reduce youth access, make the purchase age consistent with emerging science regarding young adult brain development, and match alcohol and marijuana purchase age laws.

## **2017 Federal Priorities**

### **1. Revise federal IMD exclusion to allow Medicaid to be used for 30-day behavioral health care stays.**

Support access to critical behavioral health treatment by revising the Institutions for Mental Disease (IMD) exclusion in federal law to exempt stays of 30 days or less, rather than just 15 days as allowed by current federal rules. Without this change, federal financial support for inpatient behavioral health care in King County will likely shrink by \$15.5 million per year, reducing treatment services.

### **2. Align federal substance abuse confidentiality rules with HIPAA and other related regulations.**

Establish one set of rules for confidentiality and security in health care by fully aligning confidentiality rules specific to substance use disorder treatment (42 CFR Part 2) with the Health Insurance Portability and Accountability Act (HIPAA) and companion laws, which facilitate care coordination while preserving privacy. This would promote integrated behavioral health and physical health care.

### **3. Appropriate funding for the Comprehensive Addiction and Recovery Act (CARA).**

Provide \$133 million per year nationwide for key programs of the Comprehensive Addiction and Recovery Act (CARA), especially comprehensive opioid abuse grants and demonstration funds for evidence-based interventions and state opioid abuse response.

## Washington Recreation & Park Association – 2017 Legislative Agenda

### *Top Priorities*

#### **Enhance WWRP Funding in 2015-17 Capital Budget**

*(Capital Budget)* WRPA will work in partnership with the Washington Wildlife and Recreation Coalition (WWRC) and other stakeholders to promote a \$120 million funding level for the Washington Wildlife & Recreation Program (WWRP) in the 2017-19 Capital Budget. The \$120 million funding level has been recommended by the Recreation and Conservation Funding Board (RCFB). WRPA appreciates the fact that the WWRP has been updated and revised by the Legislature and that the program utilizes a de-politicized, competitive process to rank projects on their merits. The Local Parks, Trails, and Water Access categories of the WWRP are particularly critical ones for local parks and recreation agencies.

#### **Maximize Competitive Grant Funding for the Youth Athletic Facilities (YAF) Program**

*(Capital Budget)* WRPA will lead a coalition effort to seek a \$12 million funding level for YAF in the 2017-19 Capital Budget. The RCFB has recommended the \$12 million level to the Governor's Office – to be achieved through a scored and ranked round of projects from Spring 2016 and a supplemental grant round in 2017/18 that will be 'sized' in part by a "Letter of Intent" process. The YAF is the only program within the Capital Budget that focuses on helping local parks and recreation agencies address athletic field needs for youth and adults in their communities. The Legislature has done a good job of re-establishing the YAF in the 2013-15 Capital Budget and funding it at a \$10 million level in 2015-17.

#### **Advocate for Key "Healthy & Active Communities" Funding within the State Budget Process**

*(Capital, Transportation, Operating Budgets)* As part of its ongoing "Healthy and Active Communities" initiative begun several years ago, the WRPA will work to ensure adequate funding of grant programs and budgetary items that help youth and adults to live active and healthy lifestyles; that enhance public health; and that combat a growing obesity trend in Washington and across the country. Key budgetary items WRPA will support include:

- Public Health District and "Healthiest Next Generation" funding -- *Operating Budget*;
- Bicycle and Pedestrian Grant, Safe Routes to Schools, and "Complete Streets" funding in the *Transportation Budget*;
- Dedicated accounts and grant programs in the *Capital Budget* such as WWRP, YAF, the Aquatic Lands Enhancement Account (ALEA), the Non-Highway Off-Road Vehicle Account (NOVA), and the Boating Facilities Program (BFP).

**Allow cities/counties to utilize national background check data-bases to screen prospective employees working with youth & vulnerable adults – as Park Districts already are able to**

*(Policy Bill)* As a way to better ensure the safety of children and vulnerable adults, WRPA will lead an effort to broaden existing statutory authority for cities and counties to use national fingerprint-based background checks under state law. In pursuing this authority, WRPA also will seek flexible and consistent language for cities, counties, Metropolitan Park Districts (MPDs), and Park Districts – as well as language that ensures local agencies have the alternative option to use private-vendor background checks if they so desire. National fingerprint-based background checks are already authorized in state law for prospective Parks District employees that work around youth and vulnerable adults, for utilizing for-hire vehicle drivers, and for prospective employees being screened by the Department of Social and Health Services (DSHS), law enforcement, and schools.

*“Support/Oppose” Items*

**Protect Funding for Dedicated Accounts within the Capital Budget**

*(Capital Budget)* WRPA urges the Legislature to **refrain from diverting funding from dedicated accounts** in the Capital Budget that are designed specifically to address outdoor recreation activities. These include the aforementioned WWRP, YAF, BFP, ALEA, and NOVA accounts, as well as pass-through federal-funding accounts such as the Land and Water Conservation Fund (LWCF). The WRPA asks the Legislature to keep as top-of-mind a recent report done for the State of Washington showing that the outdoor recreation sector generates nearly \$22 billion a year in economic activity for the state, as well as nearly 200,000 jobs.

**Protect Funding for Washington State Parks**

*(Operating Budget)* WRPA understands the Legislature will have significant K-12 education funding obligations within the 2017-19 Operating Budget, especially given deadlines to comply with the *McCleary* decision. That said, WRPA urges the Legislature **not to dilute Operating Budget funds for Washington State Parks**, which has worked hard to maximize non-general-fund revenue sources and partnerships and remains one of the premier state parks systems in the U.S.

**Oppose Legislation to Prematurely Place Regulatory Burdens on “Crumb Rubber” Fields**

*(Policy Bill)* WRPA, joined by a coalition of interests representing schools, Public Health, recyclers, and others, is prepared to **oppose** legislation that prematurely imposes new regulatory regimes for the use of crumb-rubber infill on synthetic playing fields. WRPA makes the safety of children a top priority and is actively engaged in tracking major federal and State of California studies that are evaluating the health risks of crumb-rubber. To date, however, all major studies and analyses, including those done by states such as Connecticut and Massachusetts, have shown no elevated health risk from crumb-rubber materials.

## **Support Efforts to Address Mental Health, Homelessness, Affordable Housing**

(*Operating Budget, Capital Budget, Policy Bills*) WRPA will strongly **support** efforts led by cities and counties, the Low-Income Housing Alliance, and others, to ensure the Legislature provides appropriate funding and authority for local governments to address growing mental health, homelessness, and affordable housing crises in their communities. Areas of support will include the following:

- *Housing Trust Fund* (advocates are requesting a \$200 million level);
- “1115 Medicaid Waiver” provisions in the Operating Budget ensuring that federal dollars received under this program can be used toward supportive housing;
- Extending and increasing a *Document Recording Fee* for homelessness prevention services within counties.

## **Re-Establishing a Statewide Tourism Marketing Program**

(*Policy Bill*) WRPA is prepared to **support** 2017 legislation that would re-establish and finance a statewide tourism marketing program. Any such program, however, should put a major emphasis on the use of funding toward outdoor-recreation-related activities that are a major tourist draw for our state.

## **“Big Tent” Outdoor Recreation Coalition**

(*Budgetary, Policy Items*) WRPA strongly supports the continued work of the “Big Tent” Outdoor Recreation Coalition, an umbrella organization comprised of several dozen outdoor retailers, non-profits, and others that seek to ensure Washington State recognizes and maximizes the economic, societal, tourism, and health benefits of outdoor recreation.





# MEMORANDUM

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*City Manager's Office*

**DATE:** November 30, 2016  
**TO:** City Council  
**FROM:** Ross Freeman, Sustainability Manager  
**RE:** Environmental Health Legislative Priorities

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A Mercer Island Legislative Agenda allows the City to respond quickly and efficiently to issues of interest that arise in Olympia during Session.

The community has a long history of commitment to sustainability, including many measures to decrease emissions, improve energy efficiency, and reduce its overall carbon footprint. These legislative priorities focused on Environmental Health allow the City to advance those issues.

Due to significant staff participation in collaborative climate work with many other regional cities and coordinated by King County (via the K4C process), much of the annual action around sustainability advocacy involves requests to join onto group letters or technical comments, with an endorsement by the Mayor or entire Council. More about the King County-Cities Climate Collaboration (K4C) is found at: [www.kingcounty.gov/environment/climate/other-governments/climate-pledge.aspx](http://www.kingcounty.gov/environment/climate/other-governments/climate-pledge.aspx)

In addition, there are sometimes late-breaking opportunities to testify in person, speak to the news media, or encourage other cities to become advocates. Such opportunities often have a very quick turnaround, and it is only possible to respond if general approval has been agreed upon in advance by the City Council.

## **2016 Recap: Environmental Health Legislative Priorities**

Last year, the approach described above allowed the Mayor and/or Council to engage to some degree on all five of the 2016 Environmental Health Priorities identified:

- **Phase out coal-fired electricity in WA**  
In perhaps the most significant environmental achievement of Session, a significant coalition of advocacy groups and local governments were pleased to achieve an agreement, based on passage of SB 6248, that establishes a funding mechanism for the closure of PSE's two oldest and dirtiest coal-fired power plants in Colstrip, Montana. These plants provide some of Mercer Island's electricity and are responsible for significant greenhouse gas pollution. Notably, a requirement for a firm decommissioning date was removed from the final Bill.

- **Rewrite state solar incentives language**  
Despite extensive advocacy by a wide variety of solar industry representatives, interest groups, the public, and local governments, the Bill (HB2346) only passed the House comfortably. In the Senate, the Energy, Environment and Telecomm Committee (EET) added a “poison pill” provision that would kill the solar incentive program altogether if the Governor’s Clean Air Rule were implemented by the Department of Ecology. Various strategies to remove the objectionable language were unsuccessful.
- **Endorse clean energy advocacy letters**  
This year, most issues were covered by the other four Legislative Priority areas, however, the most significant endorsement opportunity that arose was a joint letter to the Washington Utilities and Transportation Commission (UTC). This letter commented on Puget Sound Energy’s Integrated Resource Plan for meeting future energy needs, and is available on King County’s website: <http://your.kingcounty.gov/dnrp/climate/documents/2016-KC-Cities-PSE-IRP-letter.pdf>
- **Set a statewide price on carbon pollution**
  - Carbon Washington’s initiative (I-732), a proposed carbon emissions tax, did not coerce the Legislature into crafting an alternative during Session, and therefore proceeded to the November 2016 ballot for popular vote, where it lost 60%-40%.
  - Meanwhile, in order avoid confusion, the Alliance for Jobs & Clean Energy withdrew plans for an Initiative to the People that would have built on the new WA Clean Air Rule to enforce existing global warming pollution reduction targets, charging the largest emitters a fee for each ton of carbon pollution they emit. The funds were to be invested in a clean energy economy directly addressing the impacts of carbon pollution.
- **Support the aims of the Safe Energy Leadership Alliance (SELA) (Oil and coal trains)**  
Mayor Bassett continued to lead this issue for the City, following the passage of the Oil Transportation Safety Act last Session (May 2015).

## 2017 Proposed Environmental Health Legislative Priorities

Research and discussion has identified the following 6-8 areas of interest for the 2017 Session:

- Work in partnership with Puget Sound Energy (PSE) and the K4C to phase out coal-fired electricity.  
Establish a clear and firm timeline for retirement of coal from PSE’s energy supply in manner that protects ratepayers and maximizes replacement with renewable sources rather than natural gas.
- Support legislation that helps maintain growth in rooftop solar by fixing state incentive program.  
Ensure that the solar industry in Washington State continues to thrive and expand by modifying existing legislation and adjusting current installation incentive programs. The current legislation ends production incentives on June 30, 2020, after which participants will only be able to earn the direct value of the power produced – this has already resulted in a very significant extension of payback periods. In addition, due to a state cap on available funds, both Seattle City Light and PSE have begun to reduce production incentive payments to all current solar participants.

- Set a statewide price on carbon pollution.  
Support new legislation from the Alliance for Jobs & Clean Energy that is expected to establish a price on carbon, direct investment of revenues, and ensure a just transition for displaced workers. Funds collected would be invested in a clean energy economy and address the direct impacts of carbon pollution.
- Reduce transportation-related carbon emissions.  
Support comprehensive state policies and investments that reduce emissions from the transportation sector by reducing vehicle miles travelled, lowering the GHG intensity of fuels, and catalyzing investments in clean passenger, transit, and heavy duty vehicles.
- Green building and energy efficiency.  
Support state policy changes and investments that will help reduce energy use in existing buildings 25% below 2012 levels by 2030, and achieve net-zero GHG emissions in new buildings by 2030.
- Endorse sign-on letters (usually to State entities) that advocate for progressive clean energy measures.  
Opportunities to be determined.

***Potential Additions:***

- Support the aims of the Safe Energy Leadership Alliance (SELA).  
Continue work launched in 2015 – Check with Mayor
- Support strengthening the Model Toxics Control Act (MCTA).  
Support strengthening and restoring full funding for Washington’s Model Toxics Control Act (MTCA), which is used to clean up sites contaminated with toxic pollution and prevent toxic contamination from polluting sites anew – Check with Mayor and CM Benson Wong



# MEMORANDUM

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*Development Services Group*

**DATE:** November 29, 2016  
**TO:** Kirsten Taylor, Assistant City Manager  
**FROM:** Scott Greenberg, Development Services Group Director  
**RE:** Development Services Proposed Legislative Priority

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In light of recent budget discussions, I would like to propose the following legislative priority; this priority is an expansion of 2016 priority relating only to long-range planning costs:

- **Support allowing the collection of reasonable fees or alternative methods of financing long-range planning and code enforcement costs.**

*Rationale: In 2016, House Bill 1802 would have allowed cities and counties to collect reasonable fees to cover the cost of long-range planning activities. The bill failed to pass out of committee. Long-range planning establishes a community's vision, goals, and policies related to the built and natural environments. It is a prerequisite for establishing a system of land use and development regulations, which in turn, provide rules for the review and processing of construction permits. Therefore, it is reasonable to allow the cost of long-range planning activities to be recoverable through our permit fee structure (which is not allowed today).*

*Similarly, code enforcement frequently involves activities that are either related to an active permit or activities that will result in a permit application. Since code enforcement is related to and often linked to permit activity, it is reasonable to allow the cost of code enforcement activities to be recoverable through our permit fee structure (which is not allowed today).*



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

**AB 5235  
December 5, 2016  
Regular Business**

**I-90 LOSS OF MOBILITY NEGOTIATIONS  
STATUS REPORT**

**Proposed Council Action:**  
Receive status report.

<b>DEPARTMENT OF</b>	City Manager (Kirsten Taylor)
<b>COUNCIL LIAISON</b>	n/a
<b>EXHIBITS</b>	1. I-90 Access Alternatives - Interagency Work Group 2. Community Suggestions for Additional I-90 Access Alternatives
<b>APPROVED BY CITY MANAGER</b>	

<b>AMOUNT OF EXPENDITURE</b>	\$	n/a
<b>AMOUNT BUDGETED</b>	\$	n/a
<b>APPROPRIATION REQUIRED</b>	\$	n/a

**SUMMARY**

I-90 loss of mobility negotiations status reports will be provided at each Council meeting. The updates for this meeting include presentation of I-90 access alternatives proposed by community members, recent public outreach, Mercer Island Station design and an update on the upcoming South Bellevue Park & Ride closure.

**I-90 Access Alternatives**

Up until August of 2016, the selected I-90 vehicle access alternative for Mercer Island traffic after the closure of the center roadway (planned for June 2017) was for all Mercer Island Traffic to use the new R8A outer lanes, even if they were deemed HOV lanes. The 2011 Final EIS for East Link analyzed this alternative and planned various local traffic mitigations on Mercer Island based on it.

Last August, the Federal Highway Administration (FHWA) reversed its former decision by stating single occupancy vehicle (SOV) use of the HOV lanes would be illegal. Mercer Island vigorously opposed this position citing numerous long-standing signed agreements and letters dating back to 1976.

Mercer Island Councilmembers and staff met with officials from the FHWA, the Washington State Department of Transportation (WSDOT), Sound Transit, and the City's State and Federal delegations over the subsequent two months to identify ways to change or mitigate the FHWA decision. Interagency staff identified twelve (12) alternatives (see Exhibit 1), which were presented to the Council on November 7, 2016 (AB 5228). These alternatives are also available on the City's website at: [http://www.mercergov.org/files/MI\\_I-90\\_AccessAlternatives\\_7Nov2016.pdf](http://www.mercergov.org/files/MI_I-90_AccessAlternatives_7Nov2016.pdf). Not all of the twelve alternatives are supported by Mercer Island. At present, the first four of these alternatives are undergoing analysis by consultants hired by Sound Transit.

Subsequently, Mercer Island held a public meeting on November 9 to present the twelve alternatives, hear comments, and to solicit additional alternatives from the public. From this meeting, several additional

options were identified (see Exhibit 2). Staff continues accepting comments and alternatives from the public, however the later in the process new access concepts are received, the less likely there will be sufficient time to analyze them.

The next step is for the new alternatives to be presented to the Interagency Group (comprised of FHWA, WSDOT, Sound Transit, and Mercer Island) that is analyzing the alternatives. The City will advocate to prioritize work on alternatives most important to Mercer Island, both those that can be implemented before June 2017, and those only feasible in the long term. Principals from each agency are scheduled to meet in January to determine which alternative(s) will be implemented in the short term before the center roadway closes, and which long term alternatives will move to the analysis phase. If at any point the City does not make progress toward its interests in these negotiations, the City has the option of other courses of action.

### **Public Outreach**

Several public outreach opportunities have been scheduled by the City, with the purpose of providing current, accurate information, and answering questions from the community. The City wants to hear from members of the community regarding the important issues around the loss of mobility negotiations. Staff and councilmembers attended one outreach event since the last City Council meeting.

#### Recent Public Outreach Meetings:

November 28 Covenant Shores (50 attendees)

Outreach meetings are still being arranged with other community organizations and groups and will continue into the new year.

### **Mercer Island Station Design**

The City's Mercer Island Station Design webpage has been updated with complete information and links on the design process for the Mercer Island Light Rail Station (see [www.mercergov.org/MIStation](http://www.mercergov.org/MIStation)). Sound Transit first brought 30% design concepts to the community in 2013. They held broadly-advertised public meetings at the 30% (2013) and 60% (2014) design phases, and received significant input from the community at both of those phases. The City's Mercer Island Advisory Group (MIAG) also gave input at the 60% design phase, and again on the 90% design drawings at a meeting in October, 2016. The MIAG is an advisory group appointed by the Mayor and composed of three City Councilmembers, three members of the Mercer Island Arts Council, and three members of the Mercer Island Design Commission. As with other communities where rail stations are on WSDOT property, not City property, Sound Transit invited the City to convene an advisory group to represent the community and provide general feedback and guidance regarding the proposed station design and art work.

### **Progress on Negotiations**

City staff is continuing to stay on schedule in negotiations with Sound Transit and discussions with Washington State Department of Transportation (WSDOT) and Federal Highway Administration (FHWA).

### **South Bellevue Park & Ride Closure**

Sound Transit staff will give a presentation on the upcoming closure (assumed to be January 2017) of the South Bellevue Park & Ride and planned parking mitigation to be located in Bellevue at the December 5 City Council meeting.

## **RECOMMENDATION**

*Assistant City Manager*

Receive report. No action required.

## I-90 Access alternatives – Interagency Work Group

### I-90 Mercer Island Access Alternatives *with Staff Recommendations*

11/22/2016

#### Terms:

SOV = Single Occupancy Vehicle

HOV = High Occupancy Vehicle

HOT = High Occupancy Toll Lane

#### Alternatives:

1. MI SOV access to HOV lanes between Seattle and Mercer Island in both directions and SOV access to Island Crest Way westbound on-ramp.  
*This alternative replaces Mercer Island access to the center roadway once it is closed in June, 2017 by allowing Mercer Island traffic access to the new HOV lanes in the outer roadway.*
2. Only vehicles meeting occupancy requirements allowed in the HOV lanes and direct ramps to the HOV lanes  
*This alternative results from the FHWA letter received in August, 2016 that states Mercer Island SOV access to the new HOV lanes and to the Island Crest Way westbound on-ramp does not comply with federal law*
3. Open all lanes eastbound and westbound across I-90 between Mercer Island and Seattle to general purpose traffic until East Link (light rail) is operational in 2023 between Mercer Island to Seattle.  
*This alternative would delay limiting of the new lanes on the outer roadway to HOV during construction of East Link (light rail) by designating them as open to **all** traffic. Once light rail is operational, the new lanes in the outer roadway would be designated as HOV and the occupancy rules would apply, meaning that Mercer Island SOV traffic would not be able to use them post 2023.*
4. Construct a new general purpose on-ramp to westbound I-90 from Island Crest Way/North Mercer Way.  
*This alternative assumes Mercer Island SOV traffic is excluded from the I-90 HOV lanes and the existing Island Crest Way westbound on-ramp is also restricted to HOV only because it connects to the left side HOV lane. The new on-ramp would replace the loss of SOV access and would connect to the right side general purpose lanes.*
5. The HOV lanes will be open to all drivers in the non-peak periods between Seattle and I-405. Currently I-90 HOV lanes east of I-405 are open to all between 7 pm and 5 am, some ramps are still restricted.  
*This alternative would restrict Mercer Island SOV traffic as in #2 above except during the non-peak traffic hours.*

6. Designate the Island Crest Way westbound on-ramp as a left side general purpose ramp. Non-HOV drivers then must merge into the general purpose lane.  
*This alternative retains Mercer Island SOV use of the westbound ramp onto I-90. However, this access would be into an HOV lane requiring SOV traffic to merge out of this lane within a reasonable distance.*
7. Non HOV drivers pay a toll to use Island Crest Way on-ramp to enter the westbound I-90 HOV lane. Non-HOV drivers then must merge into the general purpose lane.  
*This alternative is similar to #6 above but the Island Crest Way westbound on-ramp retains its HOV status. An SOV using it would have to pay a toll. Eastbound SOV drivers are not permitted to use HOV lane between Seattle and Island Crest Way.*
8. Convert HOV lanes to HOV/Toll lanes or HOT lanes in both directions across the I-90 Floating Bridge between Mercer Island and Seattle. HOT lane access points restricted to ramps on Mercer Island.  
*This alternative would replace the access that current Mercer Island SOV traffic has with the center roadway, to toll access to and from Seattle. HOT ramps would be restricted to westbound and eastbound Island Crest Way.*
9. Convert HOV lanes to HOV/Toll or HOT lanes in both directions between I-5 and I-405. HOT access points restricted to ramps on Mercer Island.  
*This alternative includes #8 above, but also adds toll access eastbound for Mercer Island SOV traffic across the east channel bridge to I-405. HOT ramps would be restricted to Island Crest Way and 80<sup>th</sup> Avenue SE*
10. Convert HOV lanes to HOV/Toll or HOT lanes in both directions between I-5 and I-405.  
*This alternative is the same as #9 but the HOT ramps connecting to the HOT lanes would **not** be limited to Mercer Island ramps only.*
11. Convert HOV lanes to Transit only with expanded transit service between the eastside and Seattle.  
*This alternative would be similar to #2 above but excludes even HOV vehicles from the new lanes on the outer roadway.*
12. Permanently open all I-90 lanes to general purpose traffic between Island Crest Way on Mercer Island and Seattle.  
*This alternative would make all lanes and on-ramps westbound from Mercer Island and all lanes and eastbound off-ramps to Mercer Island general purpose and therefore open to all traffic.*



## Community Suggestions – I-90 Access Alternatives

### I-90 Access Alternatives resulting from the November 9, 2016 Public Meeting

- A. Mercer Island Traffic, including SOV, is eligible to use the R8A HOV lanes as managed lanes between I-405 and Seattle, inclusive of all ramps, until such lanes are converted to HOT lanes. “Mercer Island Traffic” includes only bona fide traffic to or from Mercer Island, excluding cut-through traffic stopping on Mercer Island for the sole purpose of gaining HOV eligibility.
- B. A Mercer Island resident to pay \$10 toll for each vehicle and get a special sticker or electronically readable device to put on the windshield that could be the HOT Mercer Island Fee for the entire year.
- C. Meter the ICW entrance to west bound I-90 so that both SOV and HOV traffic could both use that entrance. Meter tightly such that speeds do not flow less than 45 MPH. Install soft barrier so that non-Mercer island SOV drivers could not merge into the R8A lane
- D. Modify Alternative #12 to be only over the floating bridge, with HOV ramps connecting 80<sup>th</sup>/ICW to/from the east are needed to make bus access work.
- E. Add westbound HOV entrance ramp near town Center area (north of 78<sup>th</sup> Ave and SE 32<sup>nd</sup> Street.
- F. Delay closure of center roadway
- G. Permanent protection of HOT lanes
- H. Move Light Rail to the outer roadway and keep the center roadway operating as now.
- I. Light Rail go under the lake
- J. Build both 77<sup>th</sup>, one exiting onto the I-90 westbound and the other coming onto the Island eastbound. ICW SOV drivers able to use the ICW ramps
- K. Eliminate Light Rail from the I-90 Floating Bridge
- L. Westbound I-90 HOT lanes from east entrance Mercer lid to west portal of Mt. Baker Tunnel; single access point at east entrance Mercer lid; ICW on ramp to westbound I-90 open to all traffic with protected merge; westbound I-90 HOV lanes from Issaquah to exit only 80<sup>th</sup> Ave SE off ramp; 77<sup>th</sup> Ave SE on-ramp to westbound I-90 HOV only (3+); current 76<sup>th</sup> Ave SE on-ramp to westbound I-90 mainline expanded to two metered lanes (no HOV pass); eastbound I-90 HOT lanes from west portal Mt. Baker tunnel to Bellevue Way DAR; 77<sup>th</sup> Ave SE off-ramp from left roadway eastbound I-90 designated as HOT off-ramp; ICW off-ramp from left roadway eastbound I-90 designated as HOT off-ramp; current mainline eastbound I-90 off-ramps to 77<sup>th</sup> & ICW continue operations; 80<sup>th</sup> Ave SE on-ramp to left roadway eastbound I-90 designated HOV only on-ramp; eastbound I-90 mainline access points at west portal Mt. Baker tunnel and just before 80<sup>th</sup> Ave SE on-ramp; ICW/N. Mercer Way intersection add protected left turn from northbound ICW to westbound N. Mercer Way



# CITY COUNCIL PLANNING SCHEDULE

All meetings are held in the City Hall Council Chambers unless otherwise noted.  
 Special Meetings and Study Sessions begin at 6:00 pm. Regular Meetings begin at 7:00 pm.  
 Items listed for each meeting are not in any particular order.

## DECEMBER 1 (THURSDAY) – 4:00 PM–5:00 PM

<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 60 minutes	60
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## DECEMBER 5 – 5:00 PM

Item Type	Topic/Presenter	Time
<i>Executive Session #1</i> (5:00-6:00 pm)	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 60 minutes	60
<i>Executive Session #2</i> (6:00-6:15 pm)	That portion of a meeting during which the governing body is planning or adopting the strategy or position to be taken by the governing body during the course of any collective bargaining pursuant to RCW 42.30.140(4)(b) for approximately 15 minutes	15
<i>Study Session</i> (6:15-7:00 pm)	Sound Transit Presentation on South Bellevue Park-and-Ride Closure – K. Taylor	30
<i>Regular Business</i>	2017-2018 Final Budget Adoption – C. Corder	15
<i>Regular Business</i>	3 <sup>rd</sup> Quarter 2016 Financial Status Report & Budget Adjustments – C. Corder	15
<i>Regular Business</i>	Crown Castle Small Cell Franchise Agreement (2 <sup>nd</sup> Reading) – C. Schuck	20
<i>Regular Business</i>	Draft 2017 Legislative Agenda – K. Taylor	45
<i>Regular Business</i>	I-90 Loss of Mobility Negotiations Status Report – K. Taylor	20
<i>Executive Session #3</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 30 minutes	30

## DECEMBER 13 (TUESDAY) – 9:00 AM – 10:30 AM

<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90
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## DECEMBER 19

	<b>CANCELED</b>	
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# 2017

## JANUARY 3 (TUESDAY) – 5:00 PM

Item Type	Topic/Presenter	Time
<i>Executive Session</i> (5:00-6:15 pm)	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 120 minutes	120
<i>Reception</i> (6:15-7:00 pm)	Reception for New City Manager Julie Underwood	45
<i>Regular Business</i>	Island Crest Park Ballfield Improvements Authorization to Bid – P. West	30
<i>Regular Business</i>	Final 2017 Legislative Agenda – K. Taylor	20
<i>Regular Business</i>	Code Amendments to Require Installation of Automatic Fire-Sprinkler Systems in New Residential Construction and Substantial Alterations (1 <sup>st</sup> Reading) – S. Heitman & H. Rostov	30
<i>Regular Business</i>	Zoning Code Text Amendment Related to Religious Institutions (1 <sup>st</sup> Reading)—N. Gaudette	30

## JANUARY 10 (TUESDAY) – 9:00 AM–10:30 AM

<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90
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## JANUARY 17 (TUESDAY) – 5:00 PM

Item Type	Topic/Presenter	Time
<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 120 minutes	120
<i>Study Session</i>	Scheduling of Recreational Facilities and Ballfields – B. Fletcher	60
<i>Regular Business</i>	Code Amendments to Require Installation of Automatic Fire-Sprinkler Systems in New Residential Construction (2 <sup>nd</sup> Reading) – S. Heitman & H. Rostov	15
<i>Regular Business</i>	Zoning Code Text Amendment Related to Religious Institutions (2nd Reading)—N. Gaudette	15

## JANUARY 24 (TUESDAY) – 9:00 AM–10:30 AM

<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90
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## JANUARY 31 (TUESDAY) – 9:00 AM–10:30 AM

<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90
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## FEBRUARY 3-4 (FRIDAY & SATURDAY)

	<b>2017 PLANNING SESSION (MICEC)</b>	
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## FEBRUARY 6 – 5:00 PM

Item Type	Topic/Presenter	Time
<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90
<i>Consent Calendar</i>	ARCH Trust Fund, Work Program & Budget – A. Van Gorp	--

**FEBRUARY 14 (TUESDAY) – 9:00 AM–10:30 AM**

<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90
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**FEBRUARY 21 (TUESDAY) – 5:00 PM**

Item Type	Topic/Presenter	Time
<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90

**FEBRUARY 28 (TUESDAY) – 9:00 AM–10:30 AM**

<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90
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**MARCH 6 – 5:00 PM**

Item Type	Topic/Presenter	Time
<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90

**MARCH 14 (TUESDAY) – 9:00 AM–10:30 AM**

<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90
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**MARCH 20 – 5:00 PM**

Item Type	Topic/Presenter	Time
<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90

**MARCH 28 (TUESDAY) – 9:00 AM–10:30 AM**

<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90
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**APRIL 6 – 5:00 PM**

Item Type	Topic/Presenter	Time
<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90

**APRIL 11 (TUESDAY) – 9:00 AM–10:30 AM**

<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90
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**APRIL 20 – 5:00 PM**

Item Type	Topic/Presenter	Time
<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90

**APRIL 20 (THURSDAY)**

	<b>JOINT MEETING WITH MISD BOARD</b>	
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**APRIL 28 (TUESDAY) – 9:00 AM–10:30 AM**

<i>Executive Session</i>	To discuss (with legal counsel) pending or potential litigation pursuant to RCW 42.30.110(1)(i) for 90 minutes	90
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**OTHER ITEMS TO BE SCHEDULED:**

- Code Amendments and Comprehensive Plan Amendment for NPDES Update – P. Yamashita (Q1 2017)
- Single-Family Residential Development Standards - E. Maxim (2017 Q1)
- ARCH Trust Fund Recommendations and Work Program – A. Van Gorp (Q1 2017)
- Code Enforcement Ordinance Update – A. Van Gorp (Q1 2017)
- General Sewer Plan Update – J. Kintner (Q2 2017)
- Light Rail Station Design Oversight – K. Taylor
- Mercer Island Center for the Arts (MICA) Lease – K. Sand
- CenturyLink Cable Franchise – K. Sand
- PSE Electric Franchise – K. Sand
- Zayo Telecom Franchise – K. Sand
- Six Year Sustainability Plan – R. Freeman

**COUNCILMEMBER ABSENCES:**

- Grausz: January 3 & January 17