

**Mercer Island Financial Challenges Telephone Town Hall**  
**Questions and Answers - Weds, 11 Oct 2017, 7:00-8:00pm**  
 Learn more at [www.mercergov.org/FinancialChallenges](http://www.mercergov.org/FinancialChallenges)

<b>Timestamp</b>	<b>Phone Questions Answered on Air</b>
13m38s	(Istvan) I am looking at the projections of growing deficits. What if we use the expenses instead of looking for more money?
29m12s	(Mark) Does the city own any real estate it could sell to make money?
26m51s	(TJ) Why are costs exceeding revenue growth? Why wouldn't costs be reduced to match revenues, like in the private sector?
18m10s	(Tim) First question already answered... but a lot of people have dicussed this issue vacation bank - maybe you can discuss implications of that?
25m01s	(Dwight) You say that you have reduced employment? Can you tell me how many City employees -outside of the Planning Dept- there have been 5, 10, and 15 years ago compared to now?
48m31s	(Steven) Raising taxes and cutting spending are a couple ways to reduce deficits, but how about increasing revenue by promoting businesses here on MI (working with the Chamber)?
53m33s	(Roger) Comment on revenue per citizen being generated on MI vs. revenue per citizen in surrounding communities. Have we considered collaborating with them to reduce cost for services? What can we do, are there deals we can cut? Other revenue sources in parks for example?
	<b>Other Phone Questions</b>
	(Dana) Why is it that Mercer Islanders have been allowed by agreement to use what was the tunnel that put us onto the express lane into Seattle, but we can't use the same tunnel to put us into the [new] carpool lane into Seattle
	(Bill) Is that 1% increase on REal estate tax based on prior year or what?
	(Loyd) I believe tax rate metric is not good. Please tell the total MI appraised value per household and person served by the city
	(Erwin) What has happened to the amount I'm being charged for water on MI?
	(Greg) When the new fire station was built on the south end, did we anticipate the deficit in the 6-year financial projection? How much?
	(Jason) Can you describe the cost of operating the library and the impact to the budget?
	(Kelvin) Suggestion - put a police officer at the tunnel on-ramp of west I-90 to ticket those who don't stop for pedestrians to help raise funds

Timestamp	Webcast Questions Answered on Air
8m35s	(Ken) We have heard from some previous city council candidates that our city is in dire straits - facing a HUGE deficit. This is extremely depressing to hear, and if we believe them, we're concerned that all our city services will be curtailed as a result
10m32s	(Eric) If every small town in WA is suffering under a state law limiting recapture growth to 1% per year, should ALL OF THE SMALL TOWNS put pressure on the state lawmakers to share the property tax upsides? Seriously, one has to ask to get.
12m10s	(Anonymous) Has the city looked at ways it can "tighten its belt" - have you looked at cutting expenses?
15m34s	(Anonymous) I wonder if we overpay our city staff and if we pay too much for benefits? Has the city looked at ways to pare back there?
21m55s	(Craig) Are the current forecasts of revenue and expenses for the next 5-10 years available to the public?
22m52s	(Jeff) What other revenue opportunities are available to the City? User fees? One-time levies?
31m33s	(Ken) Are counselors still going to be paid for by MIYFS?
33m21s	(Dwight) What is the average tenure of your employees? Who determines the services the city is currently providing?
35m27s	(Anonymous) How bad is the problem of deferred maintenance? Besides water and sewer, what else falls in that category? Does the budget forecast provide any plan to "catch up" on said maintenance?
38m59s	(Anonymous) What is the timing of all this?
40m36s	(Craig) Has the city examined the possibility of outsourcing police, fire, or other services to other cities?
43m29s	(Matt) Quick clarification on some numbers... Revenues have been growing by 4% (I believe was referenced), but property tax assessed values have been increasing by 9-10% over the last few years. Why aren't revenues increasing in line with the AV?
46m41s	(Frank) Why can't we start addressing the deficit NOW while the budget is balanced and maybe create a surplus so the shortfall will be less?
	<b>Other Web Questions</b>
	Additionally, the city council has recently upzoned most of the Town Center very significantly. Is that taken into consideration in your revenue projections? What about impact fees to address service needs?
	Are there other taxes that we can look at increasing? i.e., rental tax/fees?
	How and when will the poll results be released?
	Chip says the forecasts are available - how do I get or see them?
	Please consider posting a FAQ on the web with all the questions and answers - even ones you did not get to.
	To Roger's point, I'd really like to see benchmarks that are appropriate for bedroom communities rather than comparing MI to Bellevue or other places with significant retail and industry. It doesn't seem to be apples to apples. Has such a comparison been done?

	If the voters approve the increase to maintain the level of service and cover the anticipated short fall, what will keep this from being a problem 5+ years down the road? Will the services provided continue to increase to match the revenue generated?
	Where does the large settlement of cash from the loss of highway mobility fit into this discussion? Is it a spend it or lose it term? How much was it that the island will receive? Over what time period?
	Why can't we charge a market rate for MICA to fund some of the shortfall?
	Are there any government regulations which if changed would lead to higher and better uses and result in higher created higher property taxes?
	How many tax increases are being considered? General funds lid, capital projects lid, water/sewer levy, school mantanance? Others?
	What portion of city budget goes to debt service? For what items?
	What would the lid lift proposal look like? New lid at a fixed percent or complete removal?
	How does budgeted expenses or benefits or employee count compare to other peer cities?
	With our property values growing at over 10%, why doesn't revenue grow at the same rate? Is the revenue growth capped?
	Does the school budget have more flexibility than the city? Could they take on the counselor costs and more readily raise revenue?
	What is the level of city contribution to employee health insurance per employee?
	You just answered responded to my comment! Thanks!
	Can you also mention the fact that many employees don't take their vacation time because of tight staffing? They are not necessarily accruing unused vacation time just so they can cash it out
	Can the city switch to a paid time off policy rather than separate vacation and sick leave? For example, go to 1.5 days per month of combined time off, rather than 1+1?
	If we are stuck with escalation of 1% per year, how would paying more properrty taxes (as your polling question posed) solve the problem?
	Do city employees have a defined benefit pension plan? What is its funded status? Is the actuarial report publically available?
	Can you please provide a high-level breakdown by department or function of where city funds are spent?
	You have solicited citizen participation on a panel to investigate the budget shortfall issues. Will this group be free to look at the spending side as well as the revenue side of the city manager's budget in order to find a way to close the gap?
	What are the major sources of revenue by source (state funding, property tax, sales tax, etc.) How much for each?