

**Mercer Island Financial Challenges Telephone Town Hall**  
**Questions and Answers - Tues, 27 Mar 2018, 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 (not verbatim)</b>
15m36s	(Traci) I thought I heard that our current budget crisis was precipitated by I-747, but that was overturned in 2007. So what has hampered our ability to balance the budget in the last 11 years?
17m30s	(Cliff) We have one of the lower tax rates in the area. Could you put that in context relative to other towns/cities? And then compare to tax rates in other states with and without income tax?
24m47s	(Anonymous) I heard that most of the City's expense are on staffing. Can we cut staff to balance the budget?
27m09s	(Alex) I just heard you say 70% of costs go to staffing, and cutting 25% wouldn't solve the problem. I don't understand the math.
28m36s	(Dwight) I was reviewing the Q3 financial update and it showed that total resources have been growing rapidly since 2010. They have exceeded the forecast. I have trouble understanding where the shortfall is if we keep getting richer & richer?
29m54s	(Meg) Why is the Utility Tax being used for other needs in the general fund?
31m30s	(Claudia) If you raised property taxes to keep current services, what is the percentage increase per \$1000?
34m46s	(Bernard) I heard you say the City kept taking one-time revenue from development fees and used it to cover ongoing expenses. It's bad business.
35m55s	(Judith) Instead of cutting services, what about allowing more development in Town Center? The codes are too restrictive and make the situation unprofitable to build.
41m18s	(Michael) I'm enthused about this Town Hall Mtg. Are there assets that are underperforming or available to be sold? E.g. Mary Wayte Pool which seems to serve mostly off-Island users?
43m34s	(Gordon) Is the proposed property tax distributed evenly amongst all households on MI, or would it be tied to assessed property value (possibly penalizing those who have lived here the longest)?
45m35s	(Joan) Last year we all came together because WSDOT and ST were blocking the Island Crest Way on-ramp for SOVs, and the City needed money for litigation. We should have known at that time we might go bankrupt...it was not mentioned at all.
50m20s	(Toni) I was wondering if the Community Advisory Group that's been meeting with City staff has come up with other solutions besides a levy lid lift?
52m55s	(Phil) You mentioned that there was one-time revenue starting back in 2014. What programs have been initiated or increased since 2014?
	<b>Other Phone Questions (not verbatim)</b>
	(Philip) Why can't city put a line for donations in the property tax bill?
	(Rodopi) Who is managing our city?

	(Jean) Why are we paying our City Manager the equivalent of Seattle's Mayor?
	(Lisa) How many people are on this call?
	(Marilyn) Months ago, there was discussion of changing the configuration of the park and building an arts complex. Is this going to have any effect on the current financial situation?
	(Dennis) There are two ways to solve this, increase taxes, revenue, etc. Or reduce the expenses. In my experience, I've gone to multiple meetings, and often pertinent city employees are absent, and not even invited.
	(Madeline) Why do you spend money after taxpayers have already said they believe it is frivolously being spent? We are being ignored. Example: waste of money to pull blackberry bushes that weren't bothering anyone. Are there plans that could be cut?
	(Steve) Determination of future city expenses?
	(Mark) What's the budget per capita, relative to other cities? We're just not comparing apples-to-apples when reviewing the property tax situation.
	(Bob) You mentioned the General Fund 1%, 2%... I thought it was 5%?
	(Ed) Since the property values are amongst the highest in the country, and presumably revenues are as well, why can't the government sustain basic levels of service, as opposed to communities with lower tax revenues?
	(John) Many cities have been adopting laws to set up charitable funds for their tax revenue to go towards. Would our city consider this? It is increasingly popular.
	(Karen) Limitations placed on review assessment. Limited scope of expenses. What is percentage of money to retired employees?
<b>Timestamp</b>	<b>Webcast Questions Answered on Air</b>
11m37s	(Anonymous) Is there an exemption for seniors for the property tax?
12m33s	(Anonymous) How has the City balanced the budget before, and why can't we keep doing that?
20m13s	(Jessica) The recent budget presentation and mailer seem like you've already decided what cannot be cut. How will you actually decide what CAN be cut?
	<b>Other Web Questions</b>
	(C) Any decision on a levy lift option, please include property tax exemptions for seniors over 65, who own and currently reside on the Mercer Island property as a primary residence for at least 10 years and don't qualify for any WA property tax.
	(Laura) Most polls I've done like this show the results. I find it a huge lack of transparency that this information isn't provided in this setting.
	(Jay) How many man-hours and financial resources have gone to convince MI homeowners to increase their taxes considering how tight MI has said resources are?

	(Jay) Private sector eliminates personnel when budgets are not in line. "Revenue" or Tax is not a way to solve the problem. Has this been considered, as private-sector income growth does not go up as fast as the proposed budgets either?
	(Laura) When families have budget issues, we cut expenses. I am also getting a strong feeling from Chip and Julie that this is not being seriously considered and I find that very disconcerting. There are a ton of services that are non-urgent. We need better transparency.
	(C) Though King County has exemptions for seniors, many seniors cannot meet the exemption qualifications and are already burdened with increases from the McCleary decision and unable to take property tax deduction savings under the 2018 federal tax change. What will be allowed?
	(Jocelyn) So it's not a good practice to cover expenses with one-time money. Why has this been "the norm" and how are we to expect any different behavior from staff or Council with new tax monies?
	(C) Rather than property tax to solve the shortfall, has consideration been given to other sources, such as taxing those who are requesting additional amenities? E.g. taxing bikers through who want more bike infrastructure?
	(Jim) I missed the first part of the Town Hall so am hoping it was recorded so I can hear the whole session. Thanks.
	(John) With the shortfall, is the Council still considering backing the MICA/Youth Theater project?
	(C) Thank you for the session and opportunity to provide input. Hope you received my feedback sent through email early this month when the mailer was sent out?