



City of Olympia

City Hall
601 4th Avenue E
Olympia, WA 98501

Meeting Minutes - Draft Finance Committee

Information: 360-753-8447

Monday, July 9, 2012

7:00 PM

Room 112

Special Meeting

1. Roll Call

Present: 3 - Chair Buxbaum, Councilmember Jones and Councilmember Rogers

2. Approve Minutes

2.A 12-0134 Approval of April 10, 2012 Finance Committee Minutes

Attachments: [1. Minutes](#)

The minutes were approved as amended with the following vote:

Aye: 2 - Chair Buxbaum and Councilmember Jones

Nay: 1 - Councilmember Rogers

2.B 12-0114 Approval of June 7, 2012 Finance Committee Minutes

Attachments: [1. Minutes](#)

The minutes were approved with the following vote:

Aye: 3 - Chair Buxbaum, Councilmember Jones and Councilmember Rogers

3. Committee Business

3.A 12-0319 Update on Financing the Washington Center for the Performing Arts (WCPA) Siding, Roof, and Mechanical Equipment Repairs

Attachments: [Attachment 1 - Design Option B](#)

[Attachment 2 - Design Option C](#)

In October 2011 the Council directed staff to begin design of the Washington Center for the Performing Arts (WCPA) siding replacement project. Recognizing a funding shortfall in the Building Repair Fund, Council requested the Finance Committee to explore financing options. Adding the needed roof and HVAC repairs to the overall costs brings the total estimate to \$4.2 million to \$4.35 million. Staff has pursued four funding options: Public Works Trust Fund Loan, State Grant for the Arts, general obligation debt and the Building Repair and Replacement fund. The WCPA was determined to be ineligible for a public works trust fund loan. Staff has applied for a state grant; however, we will not know until later this fall if the project will be

recommended to the Governor for funding. And, there are insufficient funds in the building repair and replacement account to cover the total construction costs. Therefore, staff is recommending we issue general obligation bonds to be repaid over 20 years with the annual debt service coming from the Building Repair and Replacement fund. The amount of the annual debt service will depend on the terms at the time of bond issuance. This will have a direct impact on the City's ability to address the \$1.4 million annual deficit of known projects for 13 of the City's own buildings. Over the past 2 years the city has appropriated \$600,000/year for building repair and replacement. The annual debt service for the WCPA project will take approximately half of the annual available funds.

Committee member Rogers asked if we could buy down the debt by using the Washington Center Endowment Fund. Committee member Jones said, "We haven't discussed private fund raising. For me it is not off the table." Committee Chair Buxbaum said those were good questions but we don't need to have that discussion now. "I am worried about our debt service. We are looking for a partner to do something for our state capitol." Staff will continue to update the committee on the status of this project.

The report was received.

3.B 12-0293

2013 Budget Responses - Efficiencies, Overtime, Indirect Cost Allocations, etc.

Attachments: [Link to 2013 Budget Background Online](#)

The City Council held a Special Study Session on June 5, 2012 with an invited citizen panel to discuss the 2013 budget. From that meeting, comments and questions were gathered requiring follow up. Staff provided council a binder (also available on the city's website) with background material to aid the council as they develop the 2013 budget.

The Finance Committee reviewed the information provided. City Manager Steve Hall said the information was a "work in progress." We will be adding additional information as the budget process unfolds. The Committee's homework assignment is to review the material and decide what additional information is needed. And then, start focusing on short and long term goals. For example, we need to build our revenue base. We could invite the Economic Development Council to partner with us to evaluate options. Or, some have suggested we close our jail. This would require some analysis and review. These would be long-term budget issues. In the short term, we need to "tell our story." We could begin meeting with community groups make the budget more transparent. The Committee agreed to discuss this at the August meeting.

The committee outlined several items they would like on the August agenda:

- Discuss short and long term budget strategies (homework assignment)
- Review the Capital Facilities Plan
- Review the 5 year budget projections
- Establish a regular meeting schedule thru the rest of 2012

The report was received.

4. Adjournment

The last item of business was to establish a date for the August meeting. The

committee agreed to meet on Monday August 13 at 5:30 p.m.

The meeting adjourned at 8:55 p.m.