



Meeting Minutes

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Wednesday, July 8, 2015

5:00 PM

Room 207

1. ROLL CALL

Present: 3 - Chair Jim Cooper, Committee member Nathaniel Jones and Committee member Cheryl Selby

2. CALL TO ORDER

Chair Cooper called the meeting to order at 5:04 p.m.

3. APPROVAL OF MINUTES

3.A [15-0688](#) Approval of June 30, 2015 Finance Committee Special Meeting Minutes

The minutes were approved.

4. COMMITTEE BUSINESS

4.A [15-0575](#) Briefing on Volume-Based Utility Rates Proposal to Base Single-Family Residential Wastewater Rates on Water Usage

Water Resources Engineer Diane Utter reviewed the possibility of tiered rates for residential wastewater usage. For revenue to remain neutral, lower rates for one group requires higher rates for another group. For the low-volume consumers, tiered rates would be mean about a 30% decrease in their water bill. The idea behind tiered rates is to create equity among users -- this is not a cost-savings measure. The goal is to remain revenue neutral. The last five years of utility bills were analyzed to develop the proposed rates. If Council approves this proposal, new rates would be effective January 1, 2016. Water Resources Director Andy Haub said revenue would be tracked annually with the budget, but quarterly tracking is probable. He noted that the Utility Advisory Committee showed unanimous support for this proposal.

Committee member Jones stated the savings seems significant for Tier 1 customers. He expressed concern over the complexity of billing for Tier 2 customers. Ms. Utter said the new rates would be communicated to customers via the Five Things utility billing insert.

Committee member Jones moved, seconded by Committee member Selby, to forward the tiered rate proposal to City Council on 7/21/2015 under File 15-0562. The motion passed unanimously.

4.B [15-0651](#) Parks Workforce and Asset Management Program Update

Parks, Arts and Recreation Associate Director David Hanna and Parks Maintenance Supervisor Sam Baker updated the Committee on the Parks Workforce and Asset Management Program. The department is using technology to continually improve. The new program is helping Parks manage assets more efficiently. Parks will work to improve reporting next.

Maintenance Management Plans (MMPs) are defined for each park. MMPs break down tasks, hours for tasks, costs associated, total labor and overhead, and total annual maintenance costs. School fields are not included in the MMPs yet, but will be included eventually. Mr. Hanna discussed five draft service levels. Each park in the system will be assigned a service level and the MMPs will be updated to include this information. Combining the two pieces of information will allow for greater fiscal analysis. It will be beneficial to be able to view MMPs alongside work orders and compare them.

Mr. Hanna also discussed Public Art maintenance and noted the department will apply the MMP and Service Level Approach there in the near future. Part of this process includes developing a budget to implement the Service Level Approach.

Chair Cooper commended the Parks department on the quality of work. Staff will prepare a report on Chair Cooper's behalf to present to City Council.

The report was received.

4.C [15-0670](#) Briefing on the Preliminary Capital Facilities Plan (CFP)

Administrative Services Director Jane Kirkemo reviewed the changes in the Capital Facilities Plan (CFP) from 2015-2020 to 2016-2021. There are many one-time revenues in 2015-2020. The Transportation Benefit District and Real Estate Excise Tax (REET) accounts were swept contributing \$170,000 and \$144,000 respectively. Another \$600,000 of REET was acquired as a result of grocery store sales and re-sales. REET has to be spent on Parks or Public Works capital projects. In January 2015 the additional fund was allocated to the 2016 CFP.

The previous estimate for nine months of the new cable (utility) tax was \$600,000. The revised estimate is \$900,000 for the year. It is budgeted in building maintenance, but may be used for anything because the ordinance does not specify how the funds must be used.

The Non-Voted Utility Tax will not make budget this year for several reasons, including a mild winter, a hot summer, elimination of telephone land lines, and conversion to LED lights.

Another significant change is the way Transportation projects are presented in the 2016-2021 CFP. Projects are now grouped into categories to give flexibility in how money is used. Public Works Director Rich Hoey noted these changes were made to

make information more clear to the public. Consolidation makes it easier to see how much money is spent and where it is being spent.

The discussion was completed.

5. ADJOURNMENT

Chair Cooper adjourned the meeting at 6:45 p.m.