



# Meeting Minutes - Draft

## Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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**Wednesday, June 20, 2018**

**5:30 PM**

**Room 207**

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**1. CALL TO ORDER**

Committee member Bateman called the meeting to order at 5:30 p.m.

**2. ROLL CALL**

Chair Cooper participated in the meeting via WebEx teleconference. Committee member Jessica Bateman presided.

**Present:** 3 - Chair Jim Cooper, Committee member Jessica Bateman and Committee member Lisa Parshley

**3. APPROVAL OF AGENDA**

The agenda was approved.

**4. PUBLIC COMMENT - None**

**5. APPROVAL OF MINUTES**

**5.A** [18-0602](#) Approval of May 16, 2018 Finance Committee Meeting Minutes

The minutes were approved.

**6. COMMITTEE BUSINESS**

**6.A** [18-0585](#) Budget Snapshot: Operating Fund Reserves

Fiscal Services Director Dean Walz explained reserve levels for each fund within the operating funds. Reserves are maintained for emergencies. Excess reserves can be used for anything within a given fund. Money transferred to capital funds can't be transferred back once appropriated to a specific capital project. City Manager Steve Hall noted reserves are important to financial advisors and in determining our credit rating. Our credit rating affects our ability and cost to borrow money.

The information was provided.

**6.B** [18-0555](#) Discussion on Banking Services

Mr. Walz introduced Government Portfolio Advisors consultant Terry McCall who was

hired to assist the City with the banking services RFP process. Mr. McCall informed the Committee that staff recommends continuing to contract with U.S. Bank for banking services. U.S. Bank has proven capacity to handle the City's account and provides a full range of services. U.S. Bank's social responsibility and environmental stewardship best meets the goals of the Finance Committee.

Mr. Walz described the recent Request for Proposal process for banking services. The City received three submittals: U.S. Bank, Washington Federal, and Columbia Bank. Washington Federal is too small and unable to deliver the full suite of services needed. U.S. Bank and Columbia Bank were evaluated side-by-side. Mr. Walz detailed the analysis of the top criteria. He also explained that banking with U.S. Bank saves the City money because they have a lower minimum account balance requirement. He noted since U.S. Bank is the City's current depository approved by City Council, continuation of services does not need Council approval. Staff recommends continuing with U.S. Bank as it meets all of the City's criteria and is lower in cost.

Committee members asked clarifying questions regarding U.S. Bank's involvement with the Dakota Access Pipeline (DAPL) and fossil fuels in general. U.S. Bank does not provide any direct project support (investment) but does provide financing for general corporate purposes. Chair Cooper asked for a Study Session or Other Business with Council to tell the story about why the City is opting to continue banking services with U.S. Bank.

Chair Cooper and Committee member Bateman expressed interest in communicating to the Legislature the City's support to establish a State Bank.

**The discussion was completed.**

**6.C**     [18-0583](#)             Multi-year General Fund Budget Projections Briefing

Mr. Walz discussed General Fund budget projections for the next five years. The projections occur prior to departments submitting budgets. Mr. Walz detailed the assumptions for projections and presented two charts. The first chart showed projected revenues and expenses through 2023. The second chart showed the projected funding shortage of \$2.5 million by the end of 2023. The projection assumes normal economic conditions (no recession) and current levels of service.

**The discussion was completed.**

**6.D**     [18-0551](#)             Discuss the 2019 Budget and Critical Needs Impacting the General Fund

Administrative Services Director Debbie Sullivan discussed the 2019 budget and critical needs impacting the General Fund. She reviewed the list of needs, associated expected costs, and relevant long-term financial principles. She reported the budgeted total General Fund need by year including baseline expenses as well as one-time expenses.

Mr. Hall will bring ideas to the next meeting to help stabilize the budget and fill gaps in unfunded needs. Chair Cooper wants to examine a public-private partnership to hazard trees on Legion Way. Mr. Hall and Ms. Sullivan will research the subject.

**The discussion was completed.**

**6.E**     [18-0554](#)     Briefing on Funding for Resolution to Address Homelessness in Olympia

Ms. Sullivan presented a list of funding options and Mr. Hall suggested the Committee identify which, if any, of the options should be eliminated before trying to tackle the issue. After examining the presented options, Committee members agreed to re-evaluate previous priorities since the situation has changed. They also asked staff to look for matching grants to help fund the homelessness resolution.

Chair Cooper wants to keep all options on the table for now but is least interested in any utility tax increases. He believes a focus on the Business and Occupation tax may be the best place to start. He is also interested in borrowing from reserves and utilizing some of the non-voted utility tax (if that tax is extended an additional three years). He suggested using \$500,000 to \$1,000,000 per year of General Fund reserves for no more than five years.

Committee member Bateman expressed interest in using capital funds as long as there is a clear plan that includes transitioning a shelter to long-term supportive housing. She stated she doesn't want to touch General Fund reserves because those are for emergencies - but the homelessness crisis is an emergency. So use of those funds in that capacity seems appropriate. She also wants the City to fully participate with other community leaders to address the problem.

Committee member Parshley wants to see a defined repayment plan. She wants to know what the expenses are and to see priorities clearly stated. She said we need a clear story about what we're doing and why and what the repayment plan is. She expressed the importance of demonstrating the positive impact in relation to the expense.

Expenses will be available at the July 18, 2018 committee meeting and the discussion will continue.

**The information was received.**

## **7.     REPORTS AND UPDATES**

Ms. Sullivan introduced Administrative Services Accounting Supervisor Bill Sampson as our interim Fiscal Services Director while recruitment begins for that position.

A training on *Using Data to Learn and Improve* is being offered on July 26. Finance Committee members were invited to attend. Committee members asked to receive details by email.

**8. ADJOURNMENT**

Committee member Bateman adjourned the meeting at 7:14 p.m.