



# Meeting Minutes - Draft

## Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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**Wednesday, March 2, 2016**

**5:00 PM**

**Room 207**

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### Special Meeting

**1. ROLL CALL**

**Present:** 3 - Chair Jim Cooper, Committee member Jessica Bateman and Committee member Jeannine Roe

**2. CALL TO ORDER**

Chair Cooper called the meeting to order at 5:00 p.m.

**3. APPROVAL OF MINUTES**

**3.A [16-0190](#)**

Approval of the January 13, 2016 Finance Committee Meeting Minutes

**The minutes were approved.**

**4. COMMITTEE BUSINESS**

**4.A [16-0167](#)** Approval of the 2016 Finance Committee Work Plan

Administrative Services Director Jane Kirkemo presented the draft work plan. The Committee discussed the plan, added a couple of items, and reviewed meeting dates.

**The work plan was approved as amended.**

**4.B [16-0180](#)** Sustainable Budget Recap

City Manager Steve Hall gave a recap of the 2015 budget in terms of sustainability and a preview of the direction the City will take in 2016 to continue working toward sustainability.

**The information was received.**

**4.C [16-0175](#)** Review of 2015 Preliminary Year-End Numbers

Ms. Kirkemo reviewed the preliminary 2015 year-end General Fund balance, indicating there should be \$1.6 million above the required 10 percent reserve available. Ms. Kirkemo noted that while City Council may spend this balance, it is not a requirement. A larger fund balance would give us a better credit rating if/when the City wants to issue debt and it would help in delivering a sustainable budget. Ms.

Kirkemo explained where the excess fund balance came from and why these excess revenues are not sustainable.

Mr. Hall and Chair Cooper presented their joint spending recommendations for the excess fund revenue. The other Committee members were given an opportunity to ask questions or make alternative recommendations. Committee member Roe expressed a preference for allocating a larger sum to sidewalk repair and downtown restrooms and reducing the amount for hazard trees. Ms. Roe agreed to support the joint recommendations with the stipulation that her comments be noted.

Ms. Kirkemo indicated the \$1.6 million General Fund recommended allocations will be outlined to the City Council on March 22 with opportunities for comment. If the Council approves the recommendations, the funds will be allocated in the quarterly budget amendments submitted in April 2016.

**The General Fund balance spending recommendations were agreed upon and forwarded to the City Council for approval on 3/22/2016.**

**4.D**     [16-0287](#)     Oral Report - Business Tax and Licensing

Fiscal Services Supervisor Bill Sampson reviewed the current state of the City's Business & Occupation (B&O) licensing. Staff recommended changing licensing to a flat \$30 per year, eliminating the \$25 fee for new business registration and the \$25 fee for B&O tax registration. The fee decrease will force a loss of approximately \$90,000. Fiscal Services Manager Dean Walz noted he expects this will likely have a positive impact on our Parks Department because instructors and artists are reluctant to teach class or participate in the Percival Plinth process because of the current cost of business licensing.

Chair Cooper would like to look at raising tax rates in B&O. He would also like to raise the threshold for paying B&O tax to \$250,000 (currently \$20,000) in gross receipts and wondered if an exemption could be given to a particular industry as incentive to remain in Olympia (auto dealers). He asked staff to analyze the effects of these possible changes. The Committee would also like to hear from local businesses and our Economic Development Director.

**The report was completed and the Committee agreed to forward the issue of changing the business license fee to City Council under Other Business.**

**5.     ADJOURNMENT**

Chair Cooper adjourned the meeting at 6:50 p.m.