



# City of Olympia

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360-753-8447

## Meeting Minutes Finance Committee

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Thursday, January 10, 2013

5:30 PM

Room 112

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### 1. CALL TO ORDER

### 2. ROLL CALL

**Present:** 3 - Chair Stephen H. Buxbaum, Committee Member Nathaniel Jones and Karen Rogers

### 3. APPROVAL OF MINUTES

#### 3.A 12-0194 Approval of October 11, 2012 Finance Committee Minutes

**Attachments:** [1. Minutes](#)

**The minutes were approved.**

#### 3.B 12-0203 Approval of November 8, 2012 Finance Committee Minutes

**Attachments:** [1. Minutes](#)

**The minutes were approved.**

### 4. COMMITTEE BUSINESS

#### 4.A 12-0817 Discussion of Options for Public Input to the Budget Process

Staff quickly reviewed a long list of public involvement approaches staff and the Council have utilized in recent years. City Manager Steve Hall reminded the Committee of public outreach done for the 2013 budget:

- 5 Finance Committee meetings were dedicated to reviewing aspects of the budget
- Meetings with 3 advisory committees
- 2 meetings with labor leadership
- 9 Council meetings
- 5 community meetings
- 3 employee meetings
- Council budget workbook
- 2 public hearings

Committee Member Jones said he wanted the Finance Committee to be more intentional in how they work with the UAC, PRAC and the Planning Commission. "We should start now laying out how this is going to work." Chair Buxbaum said we should look for ways to maximize advisory committees. We need to continue our work with the Coalition of Neighborhood Associations. We need to look for best

practices and more ways to get our message out. Committee Member Rogers said "we still need some citizen advice. I would like for us to have a task force."

**The discussion will continue at a future meeting.**

**4.B      12-0836      ORAL REPORT: Update on Financing Timeframe for The Washington Center and Status Report of Fund 29**

Public Works Technical Services Line of Business Director Debbie Sullivan gave the Committee a status of the repairs to the Washington Center. The current project estimate is \$4.59 million. Assuming the City receives the state grant (\$816,000), and minus the design costs already paid; the amount to be financed through bonds is \$3.43 million. She told the Committee the project was the number 1 project on the list to be funded however; the funding was not included in the Governor's budget. The project will be bid with additive alternates; allowing the City to remove pieces if the grant is not received. Staff will bid the project and hopes to issue the Notice to Proceed in March. However, the City may not know if the grant funding is included in the state budget until after we award the bid. Chair Buxbaum asked how much money was in the Washington Center endowment fund. Staff replied there is approximately \$1.5 million. The Committee suggested a joint meeting with the Board to discuss a capital campaign in the event the City does not receive the state grant.

**The report was received.**

**4.C      13-0010      ORAL REPOT - Review of Day/Time for Monthly Meeting**

**The topic was referred for consideration at the Council retreat.**

**4.D      13-0052      Update and Direction on LED Street Light Conversion Project**

Public Works Director Rich Hoey told the Committee the City's streetlight inventory is largely at or near the end of its useful life. The traditional high pressure sodium (HPS) lights are both maintenance and power intensive. Currently the City spends over \$500,000 per year on power costs. By contrast, LED lights use 50 to 60% less power and last longer; reducing maintenance costs. HPS lights would have to be replaced 3 to 4 times during the life of an LED streetlight. Recently, Puget Sound Energy (PSE) has established new rates and incentives for LED lighting. In addition, the State Department of Commerce has energy efficiency grants up to a maximum of \$500,000 available. Staff estimates the cost to replace the City-owned lights would be \$2.9 million. If the City received the grants (Commerce and PSE) and contributed \$375,000 cash, the amount to be financed would be approximately \$1.7 million. The estimated energy savings would be \$175,000/year. Staff recommends this approach assuming we receive the Commerce grant. If the City does not receive the grant, staff would recommend we use existing CFP funds and target higher wattage lights first.

Staff also told the Committee by issuing debt we will be drawing our debt capacity below \$15 million. Staff is concerned this would affect our bond rating and corresponding interest rates. The Committee gave staff the authority to pursue the Commerce grant and then come back to the Council with definitive numbers as to what impact this would have on our debt capacity as well as our ability to issue the debt.

**The report was received.**

**5.      ADJOURNMENT**

The meeting adjourned at 7:10 p.m.

