



Meeting Agenda

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Wednesday, March 20, 2019

5:30 PM

Room 207

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. PUBLIC COMMENT

(Estimated Time: 0-15 Minutes)

During this portion of the meeting, citizens may address the Committee for up to three (3) minutes regarding the Committee's business meeting topics.

5. APPROVAL OF MINUTES

5.A [19-0259](#) Approval of February 20, 2019 Finance Committee Meeting Minutes

Attachments: [Minutes](#)

6. COMMITTEE BUSINESS

6.A [19-0250](#) Budget Snapshot - Investments

6.B [19-0253](#) Oral Report - Review and Discuss 2018 Year-End General Fund Balance

6.C [19-0251](#) Briefing on the Fire Vehicle Replacement Funding Strategy

6.D [19-0257](#) Discussion of Data Needs and Approach to Studying Business, Non-profit, and Worker Profiles to Inform Discussion on Minimum Wage

6.E [19-0252](#) Briefing on Future Financial Needs for Long-Term Capital Projects

7. REPORTS AND UPDATES

8. ADJOURNMENT

The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council Committee meeting, please contact the Council's Executive Assistant at 360.753.8244 at least 48 hours in advance of the meeting. For hearing impaired, please contact us by dialing the Washington State Relay Service at 7-1-1 or 1.800.833.6384.



City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8244

Finance Committee

Approval of February 20, 2019 Finance Committee Meeting Minutes

Agenda Date: 3/20/2019
Agenda Item Number: 5.A
File Number: 19-0259

Type: minutes **Version:** 1 **Status:** In Committee

Title

Approval of February 20, 2019 Finance Committee Meeting Minutes



Meeting Minutes - Draft

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Wednesday, February 20, 2019

5:30 PM

Council Chambers

Potential Quorum of the Olympia City Council

1. **CALL TO ORDER**

Chair Cooper called the meeting to order at 5:30 p.m.

2. **ROLL CALL**

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

OTHERS PRESENT

Councilmember Jones was present at the meeting, but did not participate in the conversation.

3. **APPROVAL OF AGENDA**

Item 6C was heard before Item 6B and all other items moved down.

The agenda was approved as amended.

4. **PUBLIC COMMENT**

The following people spoke: Dave Watson, Bob Jacobs, Nicole Butigan, and Patty Belmonte.

5. **APPROVAL OF MINUTES**

5.A [19-0181](#) Approval of January 16, 2019 Finance Committee Meeting Minutes

The minutes were approved.

6. **COMMITTEE BUSINESS**

6.A [19-0168](#) Budget Snapshot - Debt Instruments

Fiscal Service Director Nanci Lien provided a presentation on the debt instruments the City most often uses.

The information was received.

6.B [19-0170](#) Briefing on the Future Financial Needs for Long-Term Capital Projects - Including the County Courthouse

Administrative Service Director Debbie Sullivan led a discussion on future capital projects that may require debt over the next 10 years. Chair Cooper asked for a monthly update on this work as the City considers the opportunity to participate in Thurston County's Regional Courthouse at the Lee Creighton Justice Center.

The information was provided.

6.C [19-0175](#) Discussion of a Process to Consider a Locally Mandated Minimum Wage in Olympia

City Manager Steve Hall presented a recommendation for a process to consider a locally mandated minimum wage.

The Committee discussed the value of learning more about our business community as they consider this issue.

Committee member Parshley suggested a possible focus group (stakeholder group) to learn what the best response might be.

Chair Cooper said he would work with Mr. Hall and Economic Development Director Mike Reid to further develop the recommended process to consider a locally mandated minimum wage.

The discussion was completed.

6.D [19-0169](#) Oral Report - Review and Discuss 2018 Year-End General Fund Balance

Ms. Sullivan explained year-end fund budget and that Fiscal Services would be coming to the March 20 Finance Committee meeting with final numbers.

The report was received.

7. REPORTS AND UPDATES

Committee member Parshley inquired about the fire equipment purchase and when it was needed. Assistant Fire Chief Mike Buchanan explained the tariff deadline that they thought was going to make a large difference in the cost is no longer a major concern.

Ms. Sullivan reported that she would add a meeting with the Utility Advisory Committee since the Finance Committee is liaison to the UAC.

8. ADJOURNMENT

The meeting was adjourned at 7:09 p.m.



Finance Committee

Budget Snapshot - Investments

Agenda Date: 3/20/2019
Agenda Item Number: 6.A
File Number: 19-0250

Type: information **Version:** 1 **Status:** In Committee

Title

Budget Snapshot - Investments

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive a briefing on City Investments. Briefing only; No action requested.

Report

Issue:

Whether to receive a briefing on City Investments.

Staff Contact:

Nanci Lien, Fiscal Services Director, 360.756.8465

Presenter(s):

Nanci Lien, Fiscal Services Director, Administrative Services Department

Background and Analysis:

The City of Olympia invests cash that will not be used in the near future, to maximize the highest investment return while minimizing risk. The City adheres to the Investment Policy adopted by City Council in May 2017. The policy provides staff and the City's financial investment consultant, Government Portfolio Advisors, with parameters for managing the City's investment portfolio.

Staff will brief the Finance Committee on the investment policies, the various funds, and their performance.

Neighborhood/Community Interests (if known):

N/A

Options:

Type: information **Version:** 1 **Status:** In Committee

Information only.

Financial Impact:

N/A

Attachments:

None



Finance Committee

Oral Report - Review and Discuss 2018 Year-End General Fund Balance

Agenda Date: 3/20/2019
Agenda Item Number: 6.B
File Number: 19-0253

Type: discussion **Version:** 1 **Status:** In Committee

Title

Oral Report - Review and Discuss 2018 Year-End General Fund Balance

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Review the preliminary 2018 year-end General Fund balance and direct staff to forward the necessary ordinances to the full Council.

Report

Issue:

Whether to authorize staff to bring forward any necessary ordinances appropriating excess fund balance above the 10 percent reserve.

Staff Contact:

Debbie Sullivan, Administrative Services Director, 360.753.8499

Presenter(s):

Debbie Sullivan, Administrative Services Director
Steve Hall, City Manager

Background and Analysis:

Staff will provide Finance Committee with a preliminary report of the City's end-of-year financial position and discuss recommendations for appropriating excess fund balance above the 10 percent reserve based on the 2019 operating budget discussions.

Attachments:

None



Finance Committee

Briefing on the Fire Vehicle Replacement Funding Strategy

Agenda Date: 3/20/2019
Agenda Item Number: 6.C
File Number: 19-0251

Type: information **Version:** 1 **Status:** In Committee

Title

Briefing on the Fire Vehicle Replacement Funding Strategy

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive a briefing on the Fire Vehicle Replacement Funding Strategy

Report

Issue:

Whether to receive a briefing on the Fire Vehicle Replacement Funding Strategy

Staff Contact:

Nanci Lien, Fiscal Services Director, 360.756.8465

Presenter(s):

Nanci Lien, Fiscal Services Director, Administrative Services Department

Background and Analysis:

The City of Olympia's Fire Department has a fleet of 47 light (passenger-type) and heavy-duty (pumper and ladder trucks) vehicles. The current replacement value is approximately \$21 million. Of that, \$19 million represents the Department's heavy fleet. Based on industry-standard lifecycle schedules, staff estimates a financial need of about \$8.2 million over the next 10 years to replace fire vehicles and equipment. Historically, the City has replaced this equipment by issuing debt.

The City maintains a Fire Equipment Reserve Fund (Fire Reserve) with annual transfers from the General Fund. The annual contribution to the Fire Reserve is \$200,000 annually. It has been used to replace light-duty vehicles and to support some debt service payments on heavy equipment.

The City also maintains another Reserve Equipment Rental Fund (Reserve) to collect monies to be used for future replacement of vehicles and other rolling stock equipment for every City Department

with the exception of Fire. The Reserve is funded through a monthly lease rate per vehicle.

Staff will provide an overview of Fire's fleet replacement schedule, including the need for debt issuance to cover near-term replacement needs along with options to address a long-term funding strategy.

Neighborhood/Community Interests (if known):

N/A

Options:

Information only.

Financial Impact:

N/A

Attachments:

None



Finance Committee

Discussion of Data Needs and Approach to Studying Business, Non-profit, and Worker Profiles to Inform Discussion on Minimum Wage

Agenda Date: 3/20/2019
Agenda Item Number: 6.D
File Number: 19-0257

Type: discussion **Version:** 1 **Status:** In Committee

Title

Discussion of Data Needs and Approach to Studying Business, Non-profit, and Worker Profiles to Inform Discussion on Minimum Wage

Recommended Action

Committee Recommendation:

Discussion

City Manager Recommendation:

Discussion of data needs and approach to studying business, non-profit, and worker profiles to inform discussion on minimum wage.

Report

Issue:

Discussion of data needs and approach to studying business, non-profit, and worker profiles to inform discussion on minimum wage.

Staff Contact:

Debbie Sullivan, Administrative Service Director, 360.753.8499

Mike Reid, Economic Development Director, 360.753.8591

Steve Hall, City Manager, 360.753.8370

Presenter(s):

Debbie Sullivan, Administrative Service Director

Mike Reid, Economic Development Director

Steve Hall, City Manager

Background and Analysis:

At its February meeting the Finance Committee discussed wage impacts and other cost factors related to business and nonprofit organizations in the City. It also discussed the plight of low wage workers, the many factors that make it difficult to afford rising costs in Olympia along with increasing

operating costs facing locally-owned businesses and nonprofits.

The Committee concluded that increasing the City's understanding of local businesses and nonprofits serves a multitude of purposes. Olympia lacks data and needs a better understanding on employer size, employees, revenues, profitability, competitive environment, and current impacts and factors that affect the vitality of the local economy.

The Committee agreed that a first step, before any policy initiatives are developed, is to increase the City's understanding of these aspects of businesses and nonprofits so that any policy initiatives, such as minimum wage, can be better assessed to avoid unintended impacts. The City has some information about employers, wages, gross revenues and more through various sources such as B&O tax collection, business licensing information, and census data. However some of the information is not fully complete due to being aggregated with County level information or may contain other various data gaps.

Staff will brief the Committee on the available data, areas we need to develop, and a proposal for how to collect and analyze the data.

Neighborhood/Community Interests (if known):

A strong and vital local economy is important to supporting fair and livable wages for all Olympians. The economic system that includes these elements is complex and affects nearly everyone in the community

Options:

1. Discuss data needs and approach to obtaining and analyzing the information.
2. Direct staff to take a different approach to studying and analyzing the business, nonprofit, and worker profile.

Financial Impact:

None

Attachments:

None



Finance Committee

Briefing on Future Financial Needs for Long-Term Capital Projects

Agenda Date: 3/20/2019
Agenda Item Number: 6.E
File Number: 19-0252

Type: information **Version:** 1 **Status:** In Committee

Title

Briefing on Future Financial Needs for Long-Term Capital Projects

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive a briefing on the Future Financial Needs for Long-Term Capital Projects. Briefing only; no action requested.

Report

Issue:

Whether to receive a briefing on the Future Financial Needs for Long-Term Capital Projects

Staff Contact:

Debbie Sullivan, Administrative Services Director, 360.753.8499
Steve Hall, City Manager, 360.753.8477

Presenter(s):

Debbie Sullivan, Administrative Services Director
Steve Hall, City Manager

Background and Analysis:

Thurston County is proposing to locate a new County Courthouse on the existing site of the Lee Creighton Justice Center on Plum Street in Olympia. The County's intent is to partner with the City to co-locate facilities. The City facilities at Plum street are old, inefficient and in need of significant upgrades and major maintenance. Partnering with the County presents the City an alternative to address these unfunded capital deficiencies. The preliminary planning level estimate for the City's portion is between \$25 - \$30 million.

On February 20, 2019, staff shared with Finance Committee a draft of future City capital projects and

equipment that may require debt funding over the next 10 years. Staff also shared a summary of our current outstanding debt. Finance Committee requested on-going evaluation and analysis to help inform them as they continue to explore the opportunity to participate in a joint facility with Thurston County.

Staff will share the capital needs information based on type of project, type of debt service, and potential funding sources.

Neighborhood/Community Interests (if known):

N/A

Options:

Information only.

Financial Impact:

N/A

Attachments:

None