



Meeting Minutes - Draft

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Wednesday, September 19, 2018

5:30 PM

Room 207

1. CALL TO ORDER

Chair Cooper called the meeting to order at 5:34 p.m.

2. ROLL CALL

Committee member Bateman participated by phone.

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 [18-0888](#) Approval of September 6, 2018 Finance Committee Meeting Minutes

The minutes were approved.

6. COMMITTEE BUSINESS

6.A [18-0755](#) Lifeline Customer Assistance Program Briefing

Public Works Director of Water Resources Andy Haub briefed the Committee on potential options for an expanded Lifeline program. He reviewed a table describing three options and each option's implementation approach, limitations to participation, expected levels of participation, anticipated new costs to City Utilities and the annual cost to non-subsidized single family accounts. The Utility Advisory Committee and staff recommend employing options 1 and 2 simultaneously:

Option 1 - Increase awareness and participation in the program

Option 2 - Use current program thresholds and work with housing agencies to assist renters

Mr. Haub explained option 3 would maintain income thresholds but eliminate disability

and age restrictions. The assumption is that LOTT will not participate in this option, reducing the discount from its current 50% to approximately 35%. Option 3 also does not reach low-income citizens. It expands the program without reaching the target audience. It is also more complex and costly to administer. Staff will continue to work with LOTT and revisit the issue next summer.

Committee members approved of the recommended approach to employ options 1 and 2.

The information was provided.

6.B [18-0865](#) Fire Department Equipment (Non-Vehicle) Replacement Needs

Olympia Fire Department Chief Greg Wright, Assistant Chief Mike Buchanan, and Finance and Policy Coordinator Toby Levens presented Fire's Capital Fund needs for non-vehicle replacement. The costs presented cover needs for a ten-year life cycle and include:

- * Personal protective clothing
- * Radios
- * Training Center
- * Fire Hose
- * Station Equipment
- * Vehicle Exhaust Removal

The total cost for non-vehicle replacement needs from 2018-2028 is estimated at \$2.186 million. Administrative Services Director Debbie Sullivan suggested an asset management plan to smoothe out the peaks and valleys in expenses.

The discussion was completed.

6.C [18-0872](#) Police Equipment Asset Management Funds

Olympia Police Department Support Administrator Chandra Brady discussed police equipment asset management funds. She stated Police will move away from asking for end of year funds and towards strategic asset management. She reviewed a large list of equipment replacement and maintenance needs and replacement life cycles and associated costs. Total replacement costs from 2019 to 2022 are estimated at \$552,040. Total maintenance and support costs for 2019 and 2020 are estimated at \$34,000.

The discussion was completed.

6.D [18-0874](#) Discussion of the Preliminary 2019 Operating and Capital Budgets

City Manager Steve Hall began the operating budget discussion by talking about the banked capacity of the public safety levy lid lift. He stated there are an additional \$204,000 of public safety needs that were not considered in the original package. Increasing the levy to generate \$204,000 would equate to an increase in annual property tax of \$7.40 on a \$250,000 home. The additional funds would cover inflationary costs

related to the base program, a part-time prosecutor for Community Court and the Mental Health/Homeless Calendar, and three Police vehicles.

Mr. Hall and Parks, Arts and Recreation Director Paul Simmons provided a brief overview of the budget for the Metropolitan Parks District. Preliminary information from Thurston County indicates assessed values are rising which means the district may have more revenue than previously expected for 2019.

Fire Chief Wright offered reasons to find funding and maintain the Downtown Aid Unit. Reducing staff in the Downtown Aid Unit will:

1. Stress the overall system of available staff and vehicles and their response time because call volume will increase but there will be fewer staff to respond and a larger response area for engines.
2. Result in a loss of \$17,000 per person plus staff time in testing, training and equipment.
3. Loss of diversity in staff.

Committee members voiced their desire to find a way to finance the Downtown Aid Unit and maintain services.

Community Planning and Development Director Keith Stahley discussed funding needs for additional staffing in his department. Needs include Homeless Response Support, ArCH staffing, and a senior planner. The ArCH staffing will allow the Historic Preservation Officer role to expand to full time and address cultural and tribal needs. Chair Cooper suggested talking to the tribes about grant funding to help support the ArCH staffing.

Administrative Services Director Debbie Sullivan described the difference between a general fund reserve and a budget stabilization reserve. The general fund reserve is for the one-time items that arise unexpectedly. The budget stabilization reserve is to weather economic swings. She provided a brief overview of future policy discussions based on the budget stabilization reserve.

Ms. Sullivan reviewed considerations for end of year funds. She noted firefighter retention, case management software, and Legion Way tree maintenance were all one-time funding items.

For the capital budget, Ms. Sullivan and Mr. Hall discussed the funding request and options for hazard trees. Mr. Hall noted this would get hazard trees back into the capital budget for the first time since 2010. They briefly summarized the plan to redirect funds from the Non-Voted Utility Tax to the operating budget for three years (2019-2021) and reinstate to the capital budget in 2022 for an additional four years beyond January 1, 2026.

7. REPORTS AND UPDATES

Committee member Parshley announced she is unable to attend the October 17, 2018

Finance Committee meeting.

8. ADJOURNMENT

Chair Cooper adjourned the meeting at 7:17 p.m.