



City of Olympia

City Hall
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Meeting Minutes - Draft Finance Committee

Thursday, February 13, 2014

4:30 PM

Room 207

1. ROLL CALL

Present: 3 - Committee Member Nathaniel Jones, Chair Jim Cooper and Committee Member Cheryl Selby

2. CALL TO ORDER

Chair Cooper called the meeting to order at 4:31 p.m.

3. APPROVAL OF MINUTES

3.A 14-0087 Approval of December 12, 2013 Finance Committee Meeting Minutes

Committee Member Jones moved, seconded by Chair Cooper, to approve the minutes. The motion carried by the following vote:

Aye: 3 - Committee Member Jones, Chair Cooper and Committee Member Selby

4. COMMITTEE BUSINESS

4.A 14-0120 Approval of Finance Committee Workplan for 2014 (Including 2015 Budget Calendar)

Discussion began with an overview of *Budget 365* and what was accomplished during 2013 toward development of the new, year-round budgeting process. City Manager Steve Hall, Administrative Services Director Jane Kirkemo, and Clerk Services Associate Line of Business Director Debbie Krumpols reported how the City met with the Coalition of Neighborhood Associations (CNA) to educate, discuss and gain input on improvements to the budgeting process; developed an enhanced website that includes a variety of budget, financial and performance information; and enhanced communications about the budget with advisory groups, boards, commissions, City employees, and unions.

Discussion then focused on next steps for development of the 2015 budget. The Committee asked about the number of visits to the new Budget 365 website. This has not yet been determined. They also suggested finding ways to promote the website. The Committee expressed an interest in defining their role in promoting *Budget 365* and indicated more discussion is needed.

The Committee suggested themed forums at the Council level, possibly brown bag sessions with advisory chairs, with one Committee member hosting on a rotating basis. Another suggestion was posting budget related information to the City's Facebook page.

The Committee agreed to add a forum to the workplan in April on the year-end State of the City report. They also added a discussion in March of next steps in implementation of the *Best Practices Report on Farmers Markets*. They moved the meeting with advisory boards regarding comments on the 2014-2019 CFP to a special meeting on March 13, at 5:30 in the Council Chambers, resulting in two March meetings. The Committee also asked to have the following items added to the workplan:

- Mandated sick and safe leave policy for private employers
- Minimum wage for City contractors
- Deferral of impact fees as incentive for economic development
- Regionalization/partnership for City services
- Understanding process for the issuance of tax exempt debt

After clarification of established dates for the 2015 Operating Budget calendar, the Committee approved the calendar.

4.B 14-0121 Oral Report - Discussion of Preliminary 2013 Year-End Financial Position

Ms. Kirkemo updated the Committee on the City's financial status at the end of 2013. The City ended the year with \$2.7 million by over collecting and underspending, almost equally. Of this, \$88,000 will go to the Parking Fund, \$263,000 is needed to maintain the 10% reserve, \$200,000 will be allocated to IT Technology, \$250,000 will be allocated as Council set-aside, and \$350,000 will go to replace the PSE street lights, leaving \$1.5 million. Ms. Kirkemo recommended this go to Building Repair and Replacement (BR&R).

During the December Finance Committee meeting staff discussed the City's indirect cost allocation. As a follow-up this month, there was discussion about how to increase revenues to the BR&R fund by setting up an indirect fee structure to City programs.

Public Works Deputy Director Debbie Sullivan presented the need for demolition of the Police Annex Building, which is in need of major maintenance and repairs exceeding \$140,000. Demolition of the building is \$50,000. Demolishing the building would displace police officers' lockers rooms, meeting space, storage and four overnight beds. It was recommended to relocate these police services to the Court Services building, with minimal remodeling, for a total cost of \$200,000 (demolition costs, plus remodel of Court Services building). Funding was proposed from savings from the City Hall construction fund. Assistant City Manager Jay Burney explained that the City planned for improvements at the Lee Creighton Justice Center as part of

the City Hall move and views use of these funds as meeting the intent. He also stated that once the City Hall fund is closed out, which he anticipates will be sometime in the summer of 2014, a recommendation will be made to put the remaining funds into the BR&R fund.

The Committee agreed unanimously to recommend to the full Council under an “Other Business” agenda item to fund \$200,000 for the demolition of the Police Annex and remodel of Court Services building.

4.C 14-0142 Funding PSE Streetlight Conversion

Public Works Transportation Line of Business Director Mark Russell presented an overview of the LED Streetlight Conversion project. The project is 98% complete, with completion expected in spring, 2014. The program has been such a success that citizens are asking to have the City replace the PSE lights as well. Although the costs for this project are \$325,000, the costs would be recovered in a few years.

Funding options for the \$325,000 that were discussed:

- Use of year-end money
- Request capital funding in the 2015 CFP
- Issue debt

Debt cannot be issued for this project as the City does not own the poles that the light fixtures are attached to.

The Committee agreed to recommend year-end money to fund the project.

5. ADJOURNMENT

The meeting adjourned at 6:01 p.m.