



Meeting Minutes

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Thursday, October 25, 2018

5:30 PM

Council Chambers

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

3. APPROVAL OF AGENDA

The agenda was approved.

4. PUBLIC COMMENT - None

5. APPROVAL OF MINUTES

5.A [18-1021](#) Approval of October 17, 2018 Finance Committee Meeting Minutes

The minutes were approved.

6. COMMITTEE BUSINESS

6.A [18-1017](#) Continued Discussion of the Operating and Capital Budgets

The Committee heard information on various budget issues for 2019 including:

- Use of REET - Mayor Pro Tem Jones emailed a request to the Finance Committee recommending the use of REET 2 funds to cover the acquisition costs of the Martin Way property. Staff presented impacts to the transportation projects outlined in the CFP and recommended waiting to hear the results of potential grant awards. The Committee concurred with staff's recommendation.
- Park Impact Fees - Staff presented three different rate scenarios. The Committee preferred applying the full rate but phasing them in over five years.

- Housing Stimulus - Committee members asked staff to show revenue impacts using impact fee discounts of 10%, 25%, and 50% for one, two, and three years and only to multi-family development, if possible.
- Budget Assumptions for 2019 - Staff is comfortable with the 2019 revenue assumptions and does not recommend adjusting them at this time.
- Fire Truck Replacement - Staff shared the need to replace a ladder truck and fire engine at an estimated cost of \$3.3 million. There is a projected savings of \$640,000 if it can be purchased in 2019 due to steel tariffs. Staff is actively working on developing a funding strategy. A discussion with Finance Committee will be scheduled in early 2019.
- Downtown Aid Unit - The Committee expressed the value of the Downtown Aid Unit and asked staff to consider other funding sources since the SAFER Grant will expire in 2019. Staff discussed maintaining the firefighters through attrition but would need approximately \$284,000 in 2019. The Committee asked staff if there was a way to provide assurance to the six firefighters that their positions would not be cut in 2019 now. Staff will update the Committee at the November 20 meeting.
- 4th/Columbia Street Property - The Committee asked staff to add a page to the 2019 Capital Facilities Plan that budgets funds from the Economic Development/Cleanup Fund for the 4th/Columbia Street Property.
- Traffic Cameras - Staff shared current research on traffic cameras. The Committee did not ask staff to pursue any further action.

The discussion was completed.

6.B [18-0760](#) Recommendation to Adjust the Business & Occupation (B&O) Tax Code

Economic Development Director Mike Reid presented information on Business and Occupation Tax options. He reviewed the original proposal to increase the threshold from \$20,000 to \$75,000, provide exemptions and incentives to small/micro-business start-ups, and to increase the retail service rate. After presenting impacts of the options, the Committee agreed to modify the original proposal. Additionally, Mr. Reid recommended business stakeholder outreach and relationship building in 2019. Committee members liked the idea.

Committee member Parshley moved, seconded by Committee member Bateman, to recommend that City Council approve an exemption of the

Business & Occupation Tax for three years to new businesses with less than \$500,000 in revenue and to new businesses in the Retail category. The motion carried by the following vote:

Aye: 3 - Chair Cooper, Committee member Bateman and Committee member Parshley

7. REPORTS AND UPDATES - None

8. ADJOURNMENT

Chair Cooper adjourned the meeting at 7:34 p.m.