



City of Olympia

City Hall
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Olympia, WA 98501

Information: 360-753-8447

Meeting Minutes - Draft Finance Committee

Thursday, August 22, 2013

5:30 PM

Room 112

1. ROLL CALL

Present: 2 - Chair Stephen H. Buxbaum and Committee Member Nathaniel Jones

Excused: 1 - Committee Member Jim Cooper

2. CALL TO ORDER

Chair Buxbaum called the meeting to order at 5:32 p.m.

3. APPROVAL OF MINUTES

The Committee agreed to delay approval of the minutes until after Item 4C of the agenda.

4. COMMITTEE BUSINESS

4.A 13-0636 The Washington Center Operating Finances

The Center's new Executive Director, Jill Barnes, was introduced. She thanked the Finance Committee for supporting the investment in the Center's current renovations and shared that the Center was ending the fiscal year in the black as a result of special fundraising efforts. The Center has a balanced budget for the coming year, with ticket sales up about 42 percent over last year.

However, their line of credit is maxed out at \$100,000, and reserves have been depleted. In order to pay off their line of credit and replenish maintenance reserves for day-to-day operations, they have asked the Finance Committee to support a \$200,000 draw from the endowment fund.

Ms. Barnes provided an overview of the Center's strategic plan designed to create financial success over the next few years:

- Actively pursue more programmatic grants
- Increase ticket revenues for popular programs
- Reduce expenses (e.g. smaller brochures save postage & print costs)
- Increase in-kind relationships
- Increase show sponsorships
- Re-tier seating to increase ticket sales by about 4 percent
- Redevelop staff fundraising efforts

- Reestablish interest in artistic partners

Chair Buxbaum asked what the debt service is for the Center's current line of credit and the history of draws previously taken against the endowment fund. The Center indicated the debt service is \$6-7,000 per year, and they took a \$100,000 draw two years ago and a \$200,000 draw one year ago, as well as a few small draws prior to that. They indicated the smaller draws were for specific operational needs (e.g. new ticketing system), while the more recent, larger draws were due to the recession and reduced ticket sales, resulting in somewhat of a crisis situation for the Center. The current draw of \$200,000 they are requesting is not due to a crisis situation. It is to pay off their line of credit and provide some reserves to help them become sustainable again.

Chair Buxbaum indicated the Committee would like to see a written proposal from the Center on how they would apply the \$200,000, as well as the Center's budget for the coming year. They would also like a proposal identifying how the Center would repay the \$200,000. He also shared, that in requesting such information, it was not the Committee's intent to provide oversight to the Center.

After further discussion, it was agreed the Center would turn the requested information/proposals into the City Manager and to be brought to the next Finance Committee meeting September 17 and forwarded to the full Council.

The Committee requested the Center provide the following to the City Manager for review at the next Finance Committee meeting:

- 1) Written proposal on how they would apply the \$200,000
- 2) Center's budget for the coming year
- 3) Proposal identifying how the Center would repay the \$200,000

RECESS

The meeting recessed at 6:11 p.m. while Chair Buxbaum stepped out to welcome Congressman Heck and his community forum. The meeting reconvened at 6:15 p.m.

4.B 13-0639 Municipal Court/Probation Overview

Judge Ahlf introduced Court Administrator, Maryam Olson, previously Yelm's Court Administrator, and before that, a Court Clerk from our own Olympia Municipal Court.

Judge Ahlf reviewed with the Committee the need for upgrading the existing court room to include a jury box. For efficiency reasons, Olympia Municipal Court currently contracts with Thurston County for its jury trials. There have been occasions when there have not been rooms available for our jury trials at Thurston County. Because of speedy trial rules, this could cause us to lose cases if the case cannot be heard in time. The Court has had staff shortages this year, resulting in budget savings that can provide the resources needed for the court room improvements.

Other discussion centered on the decrease in Court revenues due to the number of recent

staff retirements in the Police Department, resulting in fewer citations being issued. What used to be over 100 arraignments in the Court on any given Monday has dropped to an average of about 50. DUIs have typically been between 200 and 400 per year; to date, the Court has only seen 42.

Chair Buxbaum asked about recidivism - what's the solution? Judge Ahlf responded that we will have new prosecutors and with them come new ideas. We continue to look at other jurisdictions and what they are doing. Unfortunately, implementing new ideas requires resources. Many of our offenders are diagnosed with mental illness, a behavior that is difficult to correct and jail is not an answer. Programs are what are needed. The issue continues to be funding. Placing a B&O Tax on alcohol related sales and/or a Business License Fee on alcohol related businesses was mentioned to consider as resource options for funding rehabilitation programs for the Court, such as St. Martin's Detox Program.

Staff agreed to research the B&O Tax and Business Licensing options on alcohol related sales/businesses for the Committee's review.

4.C 13-0618 Oral Report - Percival Landing Status

Parks Department Associate Director David Hanna and Project Engineer Kip Summers kicked off a presentation to the Committee on the proposed plans for reconstruction of Percival Landing and the subsequent impacts of the draft Shoreline Master Program (SMP).

The following are materials that were provided to the Committee as part of the presentation:

- Percival Landing Original Reconstruction Phases Map
- Percival Landing Update PP
- Comparative Summary of Percival Landing Reconstruction Plan and Draft Shoreline Master Program Memorandum

An historical overview was provided via a construction phase map showing three construction phases dating back to 1978, with revenue sources provided from City funds, grants and LIDs.

To provide the Committee with an overall update on Percival Landing, Parks staff explained their global approach to how they've maintained the Landing from 2004 through present, using a systematic inspection and improvement process, as well as how they have conscientiously planned for and acquired the associated funding. They reviewed with the Committee all phases and sections of *proposed* reconstruction of the Landing, including the option to repair the boardwalk, as well as the option to fully replace the boardwalk, at each section.

Committee Member Jones inquired as to how the Landing is impacted by the draft SMP regulations. Community Planning & Development Associate Director Todd Stamm responded that it is a matter of timing. Regulations are getting tighter and tighter. Committee Member Jones commented that the extensive permitting process has actually ended up with many environmental benefits.

Chair Buxbaum noted we are most likely five years out from a one year inspection, and we don't have the money to maintain what we have now. We have a plan, but it makes sense at some point to revisit it and consider other options. The City does not currently have an answer, but it is important that we tell this story. We have an important community asset that we can't maintain. It is squarely in the parameters of our CFP, but not included in the CFP because we don't have the funding.

"We are underfunding building repair, pavement management, and now Percival Landing. These are too big to set aside small amounts of money over several years. We need to talk to our community about these," quoted Chair Buxbaum.

City Manager Steve Hall shared that the public is aware of the need for maintenance and reconstruction of Percival Landing. In the past we have closed off sections of the Landing for safety reasons. It is clearly a lack of funding issue. In the past we have received State and Federal funds. "The world has changed. We need a different strategy now", Hall stated.

The report was received.

3.A 13-0550 Approval of June 13, 2013 Finance Committee Meeting Minutes

The minutes were approved.

3.B 13-0577 Approval of July 11, 2013 Finance Committee Meeting Minutes

The minutes were approved.

4.D 13-0644 Oral Report - Updates

Administrative Services Director Jane Kirkemo discussed with the Committee the date for the October CNA Budget Forum. ***It was agreed to set the date for October 29, 2013.***

There was discussion about the September Committee meeting. September 16 and September 18 were agreed as options. ***The Committee agreed to get back to Ms. Kirkemo on their preference.***

Ms. Kirkemo provided a status update on the Budget 365 webpage development. She said she is working with staff from Communication Services to create an easy to find the Budget page for citizens with a variety of budget tools and information. ***Chair Buxbaum requested the Budget 365 be included as part of "Status Reports and Updates" to all future Finance Committee agendas.***

Ms. Kirkemo updated the Committee about a new online surveying tool the City will have available soon allowing the Council to survey the public about City services, the budget, and a variety of other items to assist the Council in making decisions.

It was discussed that the email responses from the June Finance Committee meeting in reference to the *B&O Tax Briefing* be brought to a future Finance Committee meeting for

Committee discussion. *Staff agreed to bring this information to a future meeting.*

The report was received.

5. ADJOURNMENT

The meeting adjourned at 8:28 p.m.