



Meeting Minutes

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Wednesday, June 10, 2015

5:00 PM

Room 207

1. CALL TO ORDER

Chair Cooper called the meeting to order at 5:01 p.m.

2. ROLL CALL

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

3. APPROVAL OF MINUTES

3.A [15-0585](#) Approval of May 13, 2015 Finance Committee Meeting Minutes

The minutes were approved.

4. COMMITTEE BUSINESS

4.A [15-0560](#)

New City Investment Policy

Finance Manager Dean Walz explained a new City investment policy is being recommended. The new policy is a complete re-write based on current best practices of the Government Finance Officers Association. The new policy allows using non-discretionary investment advisory services. Investment advisors have greater expertise, access to dealers, and allow us to take advantage of economies of scale to reduce cost of software and fees. Government Portfolio Advisors (GPA) was selected through a Request for Proposal process to assist the City with investments. GPA deals almost exclusively in non-discretionary portfolios. The City pays a fixed fee of about \$21,000 per year for their services. In addition to the savings realized in software and fees, use of GPA's services will save a tremendous amount of staff hours. GPA will manage five different funds for the City:

- * Liquidity
- * Core Investment Pool
- * The Washington Center for the Performing Arts
- * Firemen's Pension
- * LEOFF I

The Committee recommended the investment policy be forwarded to City Council for consideration at the June 16 Council meeting under File 15-0571 on the Consent Calendar.

4.B [15-0586](#) Oral Reports - Status Reports and Updates (Prior Year Use of Council Goal Money)

Administrative Services Director Jane Kirkemo discussed how Council goal money has been used since 2009. Chair Cooper asked how/when the \$100,000 level was established. City Manager Steve Hall said the amount of Council goal money was higher in pre-recession years and was reduced to \$100,000 in 2011.

The report was completed and Chair Cooper asked that the information be sent to Mayor Buxbaum.

4.C [15-0572](#) Oral Report - Status Reports and Updates (2016 Budget Update)

City Manager Steve Hall discussed budget priorities and initiatives in the General Fund operating budget for 2016. Mandatory additions include increased pension and medical insurance costs, along with bargaining unit COLA commitments. Priorities for restoration (if funds are available) include capital for information technology, \$1/capita for Arts, LEOFF long term care, Police body cams and Records support, and Parks maintenance. Other critical needs include a Fire master plan update, a fair housing assessment, Prosecution support, Public Defense enhancement, an Urban Forestry program upgrade, Planning staff, and summer downtown Police patrols. Capital needs include increased maintenance in buildings, parks, and streets, sidewalk maintenance, pedestrian crossings and bike corridors, citywide ADA projects, and hazardous trees.

As for revenue, Mr. Hall mentioned interest earnings and Real Estate Excise Tax are very low. Those sources have not recovered from the 2008 recession. Sales tax is up but not back to the 2007 level and not sustainable -- the bubble of new car sales will burst. Possible new sources of revenue for 2016 include increased indirect cost allocation, marijuana sales, and a Metropolitan Park District (MPD).

Regarding the MPD, Chair Cooper wanted to let everyone know that if the measure passes, compromises will have to be made because the revenue generated will not be enough for everyone to get everything they want.

Brian Faller and Jim Lazar with the Coalition of Parks Advocates (COPA) discussed their proposed language for an MPD ordinance. He indicated that while their ordinance uses much of the same language as the recent Seattle MPD ordinance, they want to clarify expectations in a way that is enforceable to avoid supplanting of funds. Therefore, their proposed ordinance includes four conditions that, if not included in the City's version of the ordinance, COPA will put their version on the ballot through the initiative process. These conditions do not direct the MPD on how to spend money, but say the MPD must do certain things to receive money.

COPA representatives spoke to the managing of expectations, their willingness to cooperate, be flexible, and become educated on possibilities and limitations.

The Committee discussed the implications of not extending the road through part of

the LBA Woods property. COPA believes the road would not be necessary if the residential development does not occur. The Committee said more discussion would be necessary.

Committee consensus on proposing an Olympia MPD is to aim for the November 2015 ballot because properties are at risk and momentum is present. A public hearing is not required to place the measure on the ballot. All paperwork is due to the Thurston County Auditor's office by 5:00 p.m. on August 4, 2015. Final action by City Council must be done by July 21 to move forward. City Council could approve the issue through resolution to avoid two ordinance readings.

The next Finance Committee meeting will be Tuesday, June 30 at 5:00 p.m. There will be two meetings with COPA prior to the June 30 meeting. Date and time are to be determined. The City's counter-proposal for the ballot language may not be 100% complete by the time the Committee meets with COPA again but the City will make it available in whatever form it is.

The report was completed.

5. ADJOURNMENT

The meeting adjourned at 7:14 p.m.