



Meeting Minutes - Draft

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Wednesday, May 3, 2017

5:00 PM

Room 207

1. CALL TO ORDER

Chair Cooper called the meeting to order at 5:00 p.m.

2. ROLL CALL

Present: 3 - Chair Jim Cooper, Committee member Jessica Bateman and Committee member Jeannine Roe

3. APPROVAL OF AGENDA

The agenda was approved.

4. APPROVAL OF MINUTES

4.A [17-0497](#) Approval of April 17, 2017 Finance Committee Meeting Minutes

The minutes were approved.

5. COMMITTEE BUSINESS

5.A [17-0474](#) Briefing on Levies

Administrative Services Director Mary Verner provided a presentation on levies. She reviewed debt repayment obligations, defined bond levy, and underscored the need to budget for debt service. She showed an illustration of the City's non-voted debt capacity and noted there is approximately \$37 million available in non-voted and approximately \$58 million available in combined voted and non-voted debt capacity. Ms. Verner discussed the cost of borrowing and listed the City's sources of revenue that are eligible to repay debt. She highlighted that with a voter-approved levy rate increase, for every ten cents added to the levy rate, the City would receive an additional \$636,200/year. Ms. Verner reviewed how levy rates within statutory and constitutional limitations interact with levy lid limits that cannot exceed 101% of previous years' total property tax revenues. Ms. Verner presented another illustration displaying the property taxes applicable to hypothetical residential property in Olympia. Committee member Roe requested a single-page document illustrating how the City's tax dollars are spent.

The information was received.

5.B [17-0487](#) Overview of Public Safety Needs

Police Chief Ronnie Roberts presented information on Police funding needs. He advised the Committee that in order to meet community expectations, be engaged in the community, create efficiencies, expedite new officer training, and address mental health issues, the Olympia Police Department (OPD) needs a bigger budget. Chief Roberts discussed the staff and programs that are needed and why. He showed a chart outlining needs and costs are estimated at \$2.85 million in addition to OPD's current budget.

Committee members asked clarifying questions. They were surprised to learn OPD is currently operating at the same staffing levels they were in 2006 despite large population growth. If Olympia's population grows by another 20,000 people as expected, OPD will need an additional 40+ officers.

The information was provided.

5.C [17-0466](#) Investment Policy Review and Update

Fiscal Services Manager Dean Walz introduced the City's investment advisor, Deanne Woodring of Government Portfolio Advisors (GPA). Together they proposed some changes to the City's investment policy to clean up verbiage and incorporate changes in statute. Ms. Woodring noted one major statutory change is the ability of municipalities to invest in corporate bonds. These have higher risk but higher return and also carry political ramifications. GPA has a small list of socially responsible corporate bonds they could recommend. The City's current strategy does not allow investing in corporate bonds. The Committee is interested in including corporate notes as an option in the City's investment policy provided there is language built in to guide staff to only invest in socially responsible corporations.

Committee member Bateman moved, seconded by Committee member Roe, to accept policy changes as proposed, with the exception of recommended changes in language surrounding corporate bonds. The motion passed unanimously.

5.D [17-0430](#) Council Policy Fund Prioritization Criteria

City Manager Steve Hall provided the Committee with a draft document outlining Council Policy Fund prioritization. The document included a sample list of research projects, criteria for use of funds, and a goal of creating clear processes to:

- decide which research projects to undertake
- develop a scope of the research
- determine how the consultant will be selected and how the projects will be managed to ensure unbiased work

The Committee agreed to let Mr. Hall and Chair Cooper put additional work into the draft document and discuss it again at a later date.

The discussion was completed.

6. REPORTS AND UPDATES - None

7. ADJOURNMENT

Chair Cooper adjourned the meeting at 6:50 p.m.