



Meeting Minutes

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Friday, February 27, 2015

11:00 AM

Council Chambers

Special Meeting

1. ROLL CALL

Committee Member Jones arrived at 11:45 a.m.

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

2. CALL TO ORDER

Chair Cooper called the meeting to order.

3. APPROVAL OF MINUTES

3.A [15-0163](#) Approval of January 14, 2015 Finance Committee Meeting Minutes

The minutes were approved.

3.B [15-0146](#) Approval of January 23, 2015 Finance Committee Special Meeting Minutes

The minutes were approved.

4. COMMITTEE BUSINESS

4.A [15-0164](#) Approval of Finance Committee Work Plan for 2015 (Including 2016 Budget Calendar)

Administrative Services Director Jane Kirkemo reviewed the work plan. The "Farmers Market Best Practices" item was removed. The Committee added to the work plan: "Changes in Investment Policies," "Prior Year Use of Council Goal Money" and "Harbor Patrol Strategy." Committee Member Jones asked to see how both voted and non-voted utility tax dollars are being spent. He requested to see all ordinances associated with the utility tax (voted and non-voted).

The Committee recommended Council approval of the amended Work Plan and unamended 2016 Budget Calendar.

4.B [15-0169](#) Approval of 2014 Year-End Financials

Ms. Kirkemo reviewed year-end financials and made recommendations for assigning

the fund balance:

Assignments

Parking Special Account	\$ 90,410
Technology	200,000
OPEB - LEOFF I	108,680
Percival Landing	350,000
Downtown Plan	250,000
Fire Equipment Reserve	450,000
Interfaith Works Shelter	17,000
Holly Landing, Housing	50,000
Pedestrian Crossing Grant Match	70,000
Sidewalk Repair	40,000
Per Capita for the Arts	50,000
CFP Contingency	360,000
Council Goal Funds	8,979
Total Fund Balance Assignments	\$ 2,045,069

Ms. Kirkemo explained irrevocable trusts and recommended establishing one for LEOFF I expenses for Other Post-Employment Benefits (OPEB) of these employees.

Establishment of an irrevocable trust fund for LEOFF I employees was discussed and recommended to forward to the City Council to include on a future Consent Calendar.

4.C [15-0174](#) Continued Discussion on Funding Needs and Strategies for the Next Three to Five Years

Ms. Kirkemo stated significant impacts to future operating budgets are impending. City Manager Steve Hall identified areas where the City has funding gaps and discussed possible issues for a 2015 ballot measure(s). General Services, Public Safety, Transportation, and Parks all have significant funding gaps but Parks seems the best choice to take to the voters because of recent interest related to the LBA Woods, Percival Landing, West Bay, etc. Mr. Hall said 2015 might be a good time to go to the voters.

Parks, Arts and Recreation Director Paul Simmons discussed funding gaps in Parks and detailed projected amounts needed to repair, replace, and maintain assets.

Operational Funding Gaps

Mr. Simmons estimates Parks will have a funding gap between \$200,000 and \$720,000 depending on what City Council directs the department to focus on. If the focus becomes acquisition, the gap for Operations and Maintenance will be widest.

Capital Funding Gaps

Without a clearly identified scope or focus, Parks is unable to provide a good estimate of the capital funding gap.

Available Parks Resources

- * Impact Fee Collections - Impact fee collections are very volatile and Mr. Simmons does not recommend using it as a debt-funding source.
- * SEPA Mitigation Fees - Also very volatile. Parks is currently using 2013 collections.
- * Future Resources:
 - Final payment on 2006 acquisition bond will occur in December 2016
 - Approximately \$1.196M becomes available for debt servicing in 2017
 - Between 2017-2021 nearly \$6M will be available for debt service

Options to Meet Gaps - Ms. Kirkemo explained the options and discussed pros and cons for each.

- * Municipal Parks Districts - Junior taxing district. There are three options and each requires a 50% voter approval.
- * Levy Lid Lift - Requires 50% voter approval of those voting and can only go on a primary or general ballot.
- * Excess Levy - Requires 60% voter approval of those voting in the last general election and can go on any ballot (four times a year).

Chair Cooper asked about costs to put items on a ballot. Ms. Kirkemo stated the cost varies based on the number of issues on a ballot. Costs are distributed so the more issues there are, the lower the cost per issue.

Chair Cooper discussed his recommendations for fund balance assignments. Because the Isthmus property demolition costs are unknown, he recommended putting \$360,000 in a Capital Facilities Plan contingency fund.

Committee Member Selby asked to see what City Council has spent Council goal money on over the last five years. Chair Cooper said that should be added to the Work Plan.

Committee Member Selby wanted to go on record regarding Isthmus planning. She believes more intensive planning is needed because many people have strong feelings about that property. She would support putting money toward a design charrette on the property. She would support the additional cost for public participation could come from Council goal money.

Chair Cooper's recommendation for assigning year-end balancing was recommended for approval and referred to the City Council as a Consent item.

4.D [15-0175](#) Additions to the Long Term Financial Strategy (LTFS)

Ms. Kirkemo asked Committee members to consider adding additional sections to the City's Long Term Financial Strategy (LTFS) regarding increases in taxes.

The additions to the LTFS were recommended for approval and referred to the City Council as a Study Session item.

4.E [15-0189](#) Process for Review and Approval of Capital Facilities Element of the Comprehensive Plan

Ms. Kirkemo recommended rolling the Capital Facilities Element (CFE) process into the 2016-2021 Capital Facilities Plan (CFP). This would allow the Council to hold a public hearing along with the CFP.

The Committee agreed to recommend Council approval of the CFE as a part of the CFP annual process.

5. ADJOURNMENT

Chair Cooper adjourned the meeting at 2:03 p.m.