



Meeting Minutes - Draft

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Wednesday, May 13, 2015

5:00 PM

Room 207

1. ROLL CALL

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

OTHERS PRESENT

Steve Hall, City Manager
Paul Simmons, Parks, Arts & Recreation Director
Jane Kirkemo, Administrative Services Director

2. CALL TO ORDER

Chair Cooper called the meeting to order at 5:05 p.m.

3. APPROVAL OF MINUTES

3.A [15-0476](#) Approval of April 24, 2015 Finance Committee Meeting Minutes

The minutes were approved.

4. COMMITTEE BUSINESS

4.A [15-0474](#) The Washington Center for the Performing Arts Financial Outlook

City Manager Steve Hall discussed the City's partnership with The Washington Center for the Performing Arts, noting that community enrichment is the focus -- not profit. He recommended transferring \$150,000 from the endowment plus funding an Development Director for two years. Mr. Hall stated the current funding strategy no longer works in the post-recession economy. The Washington Center Chair Sean Padgett, Executive Director Jill Barnes, and Vice Chair of Finance Jim Haley were in attendance. They believe this assistance will allow them long-term sustainability.

Committee member Jones made a point to note that The Center is 1) drawing on a finite source (the endowment), 2) is important to the community, but 3) is not a core City service. The Center plays a pivotal role in the success of downtown. Committee member Jones stated he saw no other option than to bring them whole. He cautioned that a long-term solution needs to be found. Mr. Haley responded by stating that hiring an executive director two years ago and re-hiring a fundraising director are steps in the right direction to achieve long-term sustainability.

Chair Cooper pointed out that with an annual budget of \$1.8 million, The Center is basically asking for one month's worth of revenue. The City is asking them to close down for two months this summer for a sprinkler system upgrade, so he thought the request is justifiable. Chair Cooper inquired about the role of the Development Director. Ms. Barnes replied the Development Director would allow for relationship building with sponsors, greater event planning, and grant writing.

Committee member Jones moved, seconded by Committee member Selby, to recommend to the full Council the transfer of \$150,000 of endowment funds to The Washington Center and further appropriate up to \$100,000 per year for two years for salary and benefits of a Development Director. The motion passed unanimously.

4.B [15-0478](#) Debrief of May 5 Study Session on Developing a Sustainable Budget

Parks, Arts and Recreation Director Paul Simmons presented a preliminary proposal for a Metropolitan Parks District (MPD). An MPD could be formed if approved by voters with a simple majority. Public feedback through meetings, OlySpeaks, and surveys generated three high priority themes. Citizens want land acquisition, maintenance, and an increase in park safety and security. Mr. Simmons went through the various funding proposals. He noted moving the Voted Utility Tax (VUT) debt to the MPD would free up full debt capacity in VUT for acquisition. He recommended a balanced approach by diversifying funding sources:

- 1) MPD - To fund maintenance, security, some development, plus optional capital projects;
- 2) VUT - To fund acquisition;
- 3) Impact/SEPA Fees - To fund development

Without additional funding, Parks will experience the following:

- Limited debt capacity available for acquisitions
- CAMMP will not get caught up on the \$4M backlog
- VUT will not be dedicated to acquisition only without cuts in service
- Currently constrained resources continue to stretch as the park system expands and costs of service increase
- Gradual reduction in levels of service, facility closure becomes a possibility in the future

Mr. Simmons would like to see a final proposal put to voters in November 2015. Committee member Jones questioned the use of VUT in the proposal. Mr. Simmons replied that staff figured the Parks department needed to catch up on acquisition so it seems reasonable to shift the entire capacity of the VUT to acquisition and worry about development later. Ms. Kirkemo and the Committee advised Mr. Simmons to include discussion of the 1.5% Non-Voted Utility Tax when this topic goes the City Council. No public hearing is required. Council would need to approve a resolution to

place the item on the fall ballot. If the measure passed, the City could begin receiving the additional revenue in 2016.

The additional revenue realized from an MPD is on top of the General Fund commitment of \$4.4 million. Mr. Bob Jacobs emphasized the importance of making clear the issue of supplanting funds should the measure appear on the ballot. Mr. Hall will examine the language used in a recent Seattle measure to establish an MPD and determine how to proceed.

City Manager Steve Hall discussed the City's systematic approach to a sustainable budget and identified funding gaps, the City's responses, and the outcomes. Chair Cooper recommended sending information through the Communications Department to prepare for voter education.

Chair Cooper provided ten minutes to hear from members of the audience.

The proposal was recommended for approval and referred to the City Council for discussion at the June 9 Study Session to decide whether to place a measure establishing a Metropolitan Parks District on the November 2015 ballot.

4.C [15-0355](#) Review of Proposed Capital Facilities Element (CFE) Prior to Inclusion in the 2016-2020 Capital Facilities Plan (CFP) Process

Ms. Kirkemo asked if Committee members had any questions about the Capital Facilities Element (CFE). Committee members had no questions. Ms. Kirkemo reminded the Committee a public hearing is needed and the CFE will be adopted by City Council as a part of the Capital Facilities Plan.

The Committee agreed to move the Capital Facilities Element forward to City Council on 5/19/2015.

4.D [15-0456](#) Community Planning and Development Request for Additional Staff, with Appropriation Ordinance

Mr. Hall explained that staffing levels in Community Planning and Development (CP&D) depend upon the level of activity and fees generated. Many layoffs occurred during the recession. Recent conversations with staff convinced Mr. Hall that we have returned to a workload level that supports increasing staff. The department is asking to restore two FTEs. Adding staff mid-year requires an ordinance and Council approval. Committee member Jones wants it made clear to the public that these positions are self-sustaining through fees; the City is not incurring any additional expenses.

Committee member Jones moved, seconded by Committee member Selby, to recommend to Council the appropriation of funds for two full-time equivalents and the purchase of a vehicle. The motion passed unanimously.

5. ADJOURNMENT

The meeting adjourned at 7:35 p.m.