



Meeting Agenda

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Tuesday, June 30, 2015

5:00 PM

Room 207

Special Meeting

1. ROLL CALL

2. CALL TO ORDER

3. APPROVAL OF MINUTES

- 3.A** [15-0656](#) Approval of June 10, 2015 Finance Committee Meeting Minutes

Attachments: [Minutes](#)

4. COMMITTEE BUSINESS

- 4.A** [15-0649](#) Continued Discussion about the Proposed Olympia Metropolitan Park District (OMPD)

5. ADJOURNMENT

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Finance Committee

Approval of June 10, 2015 Finance Committee Meeting Minutes

Agenda Date: 6/30/2015
Agenda Item Number: 3.A
File Number: 15-0656

Type: minutes **Version:** 1 **Status:** In Committee

Title

Approval of June 10, 2015 Finance Committee Meeting Minutes



Meeting Minutes - Draft

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

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 approval 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.



Finance Committee

Continued Discussion about the Proposed Olympia Metropolitan Park District (OMPD)

Agenda Date: 6/30/2015
Agenda Item Number: 4.A
File Number: 15-0649

Type: discussion **Version:** 1 **Status:** In Committee

Title

Continued Discussion about the Proposed Olympia Metropolitan Park District (OMPD)

Recommended Action

Finance Committee Recommendation:

The Olympia Metropolitan Park District was referred back to the Finance Committee for further development following the June 9th Special Study Session of the City Council.

City Manager Recommendation:

Continue to discuss the Finance Committee recommendation to pursue an Olympia Metropolitan Park District.

Report Issue:

The Finance Committee has continued to work towards the City Council goal of adopting a sustainable budget. The Finance Committee is expected to continue those discussions and will focus on a proposal to the voters regarding a ballot measure that would establish an Olympia Metropolitan Park District.

Staff Contact:

Steve Hall, City Manager, 360.753.8447
Jane Kirkemo, Administrative Services Director, 360.753.8499
Paul Simmons, Parks, Arts and Recreation Director, 360.754.8462

Presenter(s):

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

Background and Analysis:

At the City Council Retreat in January the Finance Committee was directed to continue working towards the City Council goal of adopting a sustainable budget. More specifically, the Finance Committee was to work with staff and the community to identify current and future funding gaps within the City budget; and a variety of strategies to address those gaps. These discussions included an in-depth analysis of funding gaps that currently exist in the General Fund, Pavement Management

Program, the Facility Repair and Replacement Fund, and Parks Operations and Major Maintenance. The discussions also highlighted funding shortfalls associated with Percival Landing maintenance and replacement, and also evaluated current and future use of the 2% Voted Utility Tax that is committed to Parks.

The Finance Committee evaluated a variety of different revenue strategies, which included a Levy Lid Lift, an Excess Levy, a Metropolitan Park District, and multiple combinations of these strategies. The Committee highlighted that if the City does nothing, there will likely be cuts to City services within the next two to five years.

With direction from the full City Council, the Finance Committee held their most recent meeting on June 9th to focus on the option of placing a ballot measure to establish an OMPD. The full City Council also received a report from staff that outlined a preliminary allocation for how funds from the OMPD could be distributed. This draft allocation was based on extensive community input received over a seven month public process in order to update the City's Parks, Arts and Recreation Plan.

Following the June 9th Special Study Session, the City Council directed the Finance Committee to work with staff and park advocates to prepare the necessary documents to put an OMPD on the ballot, and bring those back to the full City Council for consideration on July 7th. At this meeting, the Finance Committee is expected to continue discussing this issue and will provide staff with continued direction.

Neighborhood/Community Interests (if known):

- The Finance Committee has been meeting twice per month since January to discuss the OMPD, and in April invited a broad group of community stakeholders to participate in the discussion.
- The Parks and Recreation Advisory Committee (PRAC) discussed this issue at their May 7 and June 4 meeting.
- The draft allocation of the proposed Olympia Metropolitan Park District is based on more than seven months of public input that includes eight neighborhood meetings, data collected through Olyspeaks, and a random citizen survey that was recently commissioned and focused on parks. The results of this public input process can be found at <http://www.olympiawa.gov/parplan>.

Options:

1. Direct staff to prepare the required materials for a future business meeting of the City Council to approve official language for a ballot measure to establish an Olympia Metropolitan Park District.
2. Recommend delaying action on a possible OMPD ballot measure until 2016 or beyond.
3. Recommend pursue other funding strategies designed to work towards achieving the City Council goal of adopting a sustainable budget.
4. Do nothing at this time.

Financial Impact:

Approved Metropolitan Park Districts have the authority to levy property taxes up to 0.75/\$1,000 of

Assessed Value (AV). Previous discussions about the Olympia Metropolitan Park District have preliminarily discussed an increase of property taxes by 0.54/\$1,000 of AV, which would generate an estimated \$3,000,000 per year in additional funding for Parks, Arts and Recreation purposes. The estimated cost to the owner of a \$250,000 home is approximately \$135/year or \$11.25 per month.