



City of Olympia

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Meeting Agenda Finance Committee

Thursday, December 12, 2013

5:30 PM

Room 112

1. ROLL CALL

2. CALL TO ORDER

3. APPROVAL OF MINUTES

3.A [13-1046](#) Approval of November 18, 2013 Finance Committee Meeting Minutes

Attachments: [Minutes](#)

4. COMMITTEE BUSINESS

4.A [13-0898](#) Long Term Financial Sustainability of The Farmers Market

4.B [13-1051](#) Indirect Cost Recovery Methodologies

5. ADJOURNMENT

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Meeting Minutes - Draft Finance Committee

Monday, November 18, 2013

5:30 PM

Room 112

1. ROLL CALL

Present: 3 - Chair Stephen H. Buxbaum, Committee Member Jim Cooper and Committee Member Nathaniel Jones

2. CALL TO ORDER

Chair Buxbaum called the meeting to order at 5:30 p.m.

City Manager Steve Hall proposed a more detailed agenda for the meeting and the Committee agreed.

3. APPROVAL OF MINUTES

3.A 13-0818 Approval of September 17, 2013 Finance Committee Meeting Minutes

The minutes were approved.

3.B 13-0910 Approval of October 10, 2013 Finance Committee Meeting Minutes

The minutes were approved.

4. COMMITTEE BUSINESS

4.A 13-0957 Oral Reports - Status Reports and Updates (Overview of the 2014 Operating and Capital Budgets)

The discussion was completed as noted for the topics below.

BPAC Capital Facility Plan (CFP) Request

Staff explained the BPAC was requesting \$100,000 for a bike corridor pilot project. Public Works Director Rich Hoey explained not everyone feels safe riding on arterials. This project would connect neighborhood streets to destinations e.g. we would use signage to direct people on neighborhood streets to downtown rather than using Harrison Avenue. There was a request to use \$100,000 from the Pavement Management account for this project. Mr. Hoey proposed using money already appropriated but unspent in the Bike Facilities account. He noted the money in this account is used as match money for grants, but could be made available for this

project. Chair Buxbaum asked what other funds were appropriated but unspent. Mr. Hall explained as a part of year-end closing we always go through the CFP and close out any completed projects and then the money is deposited in the CIP contingency or the program in the case of utilities. The Committee pointed out that if the pilot is successful there is not a long-term funding source to continue the program. Chair Buxbaum asked staff to identify other potential funding sources for the November 26 budget balancing Council meeting.

The discussion was completed.

Response to Advisory Committee Letters

Staff discussed with the Committee how best to respond to letters received by various advisory committees on the Capital Facilities Plan. Committee Member Cooper noted the letters were positive, informative and responsive.

The Committee suggested the Finance Committee should meet with the committees, thank them for their work and tell them what we took action on. The Committee also asked staff to draft letters thanking advisory committees for their input.

Council Goal Money

Chair Buxbaum asked staff to outline what Council funds were available for expenditure and what, if any, restrictions were on the funding. Staff explained there were four accounts.

- 2011 Year-end funds above our reserve; \$255,450
- 2012 Funding for the CRA (\$80,000 plus \$25,000 grant); -0-
- 2013 Council goal money; \$73,667
- 2012-13 Shelter funding; \$18,000

The 2011 unspecified money will remain until the Council appropriates the funding. The funding for the Community Renewal Area (CRA) will all be spent by the end of the year. The 2013 unspent Council goal money reverts to fund balance at the end of the year unless it is spent or appropriated. The final category was \$35,000 appropriated for shelter funding that still has half of the funding remaining. The money would go to fund balance if not spent or appropriated by the end of the year.

The Committee recommended appropriating the remaining funds for shelter housing.

South Sound Military Program

South Sound Military Program is a regional group of planners that meet to discuss advance planning for Joint Base Lewis McChord (JBLM). The annual fees for this group are approximately \$500.

Mr. Hall recommended the City participate in this group. The Committee agreed.

Plan Examiner Position

Mr. Hall explained with increased construction activity and increased development revenues there is a need for an additional plans examiner. Although this position was not included in the preliminary budget he requested adding the position. He indicated there is sufficient revenue to cover the position and this is an employee that was laid off when activity declined.

The Committee agreed to recommend including the position in the budget.

Cable Access Television Tax and Other Potential Revenues for 2014

The Committee discussed applying the utility tax to cable to generate additional funding for maintaining our capital infrastructure. They also briefly discussed removing some exemptions for Business and Occupation Taxes. Chair Buxbaum said he wants to see a revenue proposal by the end of the first quarter next year. He also suggested the following long term financial strategy considerations/additions in reference to tax proposals.

Before taking action to increase taxes, the Council should consider:

- Will the increase result in activities that will have a quantifiable public benefit?
- Is the tax source related/connected to the services that are to be supported by the new revenue?
- Is the increase fully justifiable in terms of need?
- Have we informed all stakeholders about the tax before the increase takes effect?
- Are the services intended to be supported by the new revenue sustainable?

In regards to voter approved tax measures, can we ensure:

- There has been adequate public education?
- There has been adequate lead time for debate and discussion among interest groups?
- We have listened to concerns?
- The public understands the results following implementation of the new tax?

The discussion was completed.

Police Department Budget

The Committee said staff had done a nice job identifying how the 1/10 percent public safety sales tax will be spent next year. However, the Committee asked for some performance measures. What difference will the public see? Mr. Hall explained that due to the large number of vacancies in the police department and the length of time it takes to get an officer on the street, the department will not be fully staffed until the first quarter of 2015. We have been interviewing candidates for the last year; however we will continue to have retirements through 2014. Between the academy and the required field training work, it takes a year before the officer is on the street by themselves. Mr. Hall said the department will work to establish performance

measures.

The discussion was completed.

5. ADJOURNMENT

The meeting was adjourned at 7:25 p.m.

City of Olympia

Finance Committee

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Long Term Financial Sustainability of The Farmers Market

Agenda Date: 12/12/2013

Agenda Number: 4.A

File Number: 13-0898

File Type: report

Version: 1

Status: In Committee

..Title

Long Term Financial Sustainability of The Farmers Market

..Recommended Action

City Manager Recommendation:

No action required. Information Only.

..Report

Issue:

Earlier this year, the City and the Port renegotiated terms of the lease for the property currently operated as The Farmers Market of Olympia. Included in the lease was a Best Practices Assessment to be conducted by a consultant. The cost was split between the City of Olympia and Port of Olympia. The purpose of this presentation is to allow the consultant, E. D. Hovee and Company, to submit the results of their work to the City.

The intent of the Best Practices Assessment is to provide the Farmers Market with feedback related to their governing structure, business model and operating policies. It will identify opportunities for the Farmers Market staff and Board of Directors to consider for implementation, and also promote practices that they are doing well.

Staff Contact:

Scott River, Program & Planning Supervisor, Parks, Arts & Recreation, 360.753.8506

Presenter(s):

Eric Hovee, E. D. Hovee and Company
Jason Robertson, J Robertson and Company

Background and Analysis:

The City of Olympia, Port of Olympia, and Farmers Market of Olympia have partnered in the provision of the current Farmers Market located at the north end of Capitol Way. The City owns the building, the Port owns the property, and the Farmers Market is operated privately.

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City Council

Indirect Cost Recovery Methodologies

Agenda Date: 12/12/2013

Agenda Number: 4.B

File Number: 13-1051

File Type: discussion

Version: 1

Status: In Committee

..Title

Indirect Cost Recovery Methodologies

..Recommended Action

City Manager Recommendation:

None. Briefing only.

..Report

Issue:

Respond to Committee's request to review indirect cost recovery methodologies utilized by the City.

Staff Contact:

Dean Walz, Fiscal Services Director, Administrative Services Department,
360.753.8465

Presenter(s):

Dean Walz

Background and Analysis:

Current indirect and cost recovery include the following:

- Indirect overhead of Executive, Legal, Human Resources, City Clerk, Mail, Utility Billing, Accounting, and Information Services. This is allocated to city owned utilities, engineering overhead and parking services.
- Allocation of Public Works General Services (commonly referred to as the Director's Office) costs, to the various sections of Public Works.
- City Hall office space cost are computed for; direct use by staff of the three water resources utilities and the indirect overhead programs noted above. The costs include O&M and debt service for City Hall.
- Maintenance Center rent is computed for users of that facility. The rent includes O&M costs and a portion for long term maintenance.
- CP&D services to city owned utilities.
- PC usage.

Neighborhood/Community Interests (if known):

None.

Options:

Agenda Date: 12/12/2013
Agenda Number: 4.B
File Number: 13-1051

Discussion only.

Financial Impact:

The 2014 General Fund budget includes \$4,004,495 to be received from the above cost recoveries. Additionally, \$75,073 is projected to be received by the Facilities Repair and Major Maintenance Fund from Maintenance Center rent charges in 2014.