



# Meeting Agenda

## Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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**Wednesday, January 16, 2019**

**5:30 PM**

**Room 207**

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**1. CALL TO ORDER**

**2. ROLL CALL**

**3. APPROVAL OF AGENDA**

**4. PUBLIC COMMENT**

*(Estimated Time: 0-15 Minutes)*

*During this portion of the meeting, citizens may address the Committee for up to three (3) minutes regarding the Committee's business meeting topics.*

**5. APPROVAL OF MINUTES**

**5.A**     [19-0066](#)     Approval of November 20, 2018 Finance Committee Meeting Minutes

**Attachments:**     [Minutes](#)

**6. COMMITTEE BUSINESS**

**6.A**     [19-0057](#)     Budget Snapshot - Council Financial Fiduciary Responsibilities

**6.B**     [19-0050](#)     Approval of the 2019 Finance Committee Work Plan

**Attachments:**     [Draft 2019 Finance Committee Work Plan](#)

**6.C**     [19-0056](#)     Discuss Recommendation for 2019 Financial Reports to Finance Committee

**7. REPORTS AND UPDATES**

**8. ADJOURNMENT**

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City Hall  
601 4th Avenue E.  
Olympia, WA 98501  
360-753-8244

## **Finance Committee**

### **Approval of November 20, 2018 Finance Committee Meeting Minutes**

**Agenda Date:** 1/16/2019  
**Agenda Item Number:** 5.A  
**File Number:** 19-0066

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

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**Title**

Approval of November 20, 2018 Finance Committee Meeting Minutes



# Meeting Minutes - Draft

## Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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**Tuesday, November 20, 2018**

**5:30 PM**

**Council Chambers**

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### Special Meeting

**1. CALL TO ORDER**

Chair Cooper called the meeting to order at 5:32 p.m.

**2. ROLL CALL**

**Present:** 3 - Chair Jim Cooper, Committee member Jessica Bateman and Committee member Lisa Parshley

**3. APPROVAL OF AGENDA**

The agenda was approved.

**4. PUBLIC COMMENT**

Larry Dzieza spoke.

**5. APPROVAL OF MINUTES**

**5.A** [18-1108](#) Approval of October 25, 2018 Finance Committee Meeting Minutes

The minutes were approved.

**6. COMMITTEE BUSINESS**

**6.A** [18-1089](#) Budget Snapshot - Special Accounts and Special Funds

Fiscal Services Director Nanci Lien provided a budget snapshot on special accounts and funds. She briefed the Committee on terminology, use and restrictions.

The information was provided.

**6.B** [18-1109](#) Discussion of the Preliminary 2019 Operating and Capital Budgets

City Manager Steve Hall led a discussion on staff's responses to the Committee's recommended changes to the 2019 proposed budget. Following is a list of the topics and Committee recommendations.

Operating Budget**4th/Columbia Property.**

The Finance Committee discussed adding a new project page to the Final 2019-2024 Capital Facilities Plan. The plan will recognize \$500,000 in funding from the Economic Development Fund.

**Parks Impact Fees.**

The Finance Committee recommended adopting a parks impact fee ordinance based on the new formula and apply a legislative discount to the 2019 fees to reflect 2018 rates.

**Housing Stimulus Proposal**

The Finance Committee discussed the following items related to the housing stimulus proposal:

1. Impact fee legislative discounts to be discussed in 2019.
2. Low income housing impact fee waiver scheduled for Council action on December 11.
3. School and transportation impact fee reductions scheduled for Council action on December 11
4. Multi-family tax exemption boundaries discussion for Land Use and Environment Committee on December 20.
5. Developing new categories of parks/transportation impact fees for missing middle-type housing.

**Firefighter Transition to Core Duties.**

The Finance Committee recommended including \$283,000 in the 2019 baseline budget using \$150,000 of 2018 Fire Department operating expenses and projected 2018 General Fund savings.

**Firetruck Replacement.**

The Finance Committee agreed to schedule a Finance Committee meeting February 20, 2019 to discuss a financing plan. The intent is to order the fire trucks in time to avoid steel tariffs which will save approximately \$600,000 in the purchase price.

**Overall Fire Needs.**

The Finance Committee agreed to schedule a Finance Committee discussion on February 20, 2019.

**REET for Homeless Services.**

The Finance Committee recommended revisiting the use of REET for homeless capital needs after Public Works receives information on grant applications worth \$1.8 million.

**Budget Stabilization Account Funding.**

The Finance Committee recommended funding the new budget stabilization account as the highest priority for year-end funds.

**B & O Tax Adjustments.**

The Finance Committee recommended using 2018 budget savings to cover the \$44,000 revenue gap created by adopting the required model ordinance.

Capital Budget

Administrative Services Director Debbie Sullivan lead a discussion on the proposed changes to the final Capital Facilities Plan and 2019-2024 financial plan.

**Tree Maintenance.**

The Finance Committee recommended reallocating \$23,000 from Building Repair and Maintenance to tree maintenance in 2019.

**Transportation Impact Fees.**

The Finance Committee recommended appropriating \$873,317 of transportation impact fees in 2019 to complete the Henderson Boulevard and Eskridge Boulevard intersection improvement project. Ms. Sullivan confirmed the funding was accounted for in the 2020-2024 financial plan.

**New CFP Project Pages.**

New pages, along with the financial plan, will be included in the final CFP for the following projects:

- Home Fund Capital
- 4th/Columbia Property
- Tree Maintenance

Councilmember Bateman asked staff to address Councilmember Rollins' budget requests during the November 27 Council meeting and to add the Police Auditor topic to a future 2019 Finance Committee meeting.

**The discussion was completed.**

**7. REPORTS AND UPDATES**

The next Finance Committee meeting is scheduled for Wednesday, December 19. At this time the only item on the agenda is a discussion of the 2019 draft work plan.

**8. ADJOURNMENT**

The meeting adjourned at 7:00 p.m.



## Finance Committee

### Budget Snapshot - Council Financial Fiduciary Responsibilities

**Agenda Date:** 1/16/2019  
**Agenda Item Number:** 6.A  
**File Number:** 19-0057

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

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#### **Title**

Budget Snapshot - Council Financial Fiduciary Responsibilities

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Receive a briefing on Council's Financial Fiduciary Responsibilities. Briefing only; No action required.

#### **Report**

##### **Issue:**

Whether to receive a briefing on Council's Financial Fiduciary Responsibilities.

##### **Staff Contact:**

Nanci Lien, Fiscal Services Director, Administrative Services Department, 360.756.8465

##### **Presenter(s):**

Nanci Lien, Fiscal Services Director

##### **Background and Analysis:**

As elected officials, City Council members are stewards of the public trust. City services depend on funding from numerous sources of revenue with multiple layers of policy and management responsibilities. Understanding these financial fiduciary responsibilities is one of Council's most important duties.

Staff will present an overview of Council's financial fiduciary responsibilities and associated legal requirements. Finance Committee's 2019 Work Plan includes budget snap shot topics on these various responsibilities and requirements such as: debt, financial policies, budget, financial reports, audit, investment policy, internal controls/ethics, contracts/purchasing and governmental accounting.

##### **Neighborhood/Community Interests (if known):**

N/A

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

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**Options:**

Information only.

**Financial Impact:**

N/A

**Attachments:**

None



## Finance Committee

### Approval of the 2019 Finance Committee Work Plan

**Agenda Date:** 1/16/2019  
**Agenda Item Number:** 6.B  
**File Number:** 19-0050

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

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**Title**

Approval of the 2019 Finance Committee Work Plan

**Recommended Action**

**Committee Recommendation:**

Not referred to a committee.

**City Manager Recommendation:**

Move to approve the 2019 Finance Committee Work Plan.

**Report**

**Issue:**

Whether to approve the 2019 Finance Committee Work Plan.

**Staff Contact:**

Debbie Sullivan, Administrative Services Director, 360.753.8499

**Presenter(s):**

Debbie Sullivan, Administrative Services Director

**Background and Analysis:**

Each year, all Council Committees develop a work plan. The Finance Committee typically submits a basic plan to guide the Committee's work for the upcoming year.

Some highlights of the 2019 work plan include: continuing monthly "budget snapshots" to educate the Committee on relevant budget and finance topics; reviewing and updating the Finance Management Policies, which will include adding language for a Budget Stabilization Reserve Fund; and discussing the Park, Arts, and Recreation Department's operating, capital, and reserve funding policies.

The 2019 Finance Committee work plan allows time throughout the year to respond to emerging issues. Meetings are currently scheduled for the third Wednesday of every month starting at 5:30 p.m.

**Neighborhood/Community Interests (if known):**



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

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N/A

**Options:**

1. Approve the 2019 Finance Committee Work Plan.
2. Direct staff to remove and/or add agenda items.
3. Do not approve the 2019 Finance Committee Work Plan.

**Financial Impact:**

N/A

**Attachments:**

Draft 2019 Finance Committee Work Plan



# 2019 Finance Committee - DRAFT

## Schedule of Regular and Special Meetings – Updated December 3, 2018

Note: Meeting dates and agenda items are subject to change.

Regular meeting: 3<sup>rd</sup> Wednesday, 5:30 – 7:30 p.m., Olympia City Hall,

Committee Members: Councilmembers Jim Cooper (Chair), Jessica Bateman, Lisa Parshley

Date	Tentative Agenda	Lead Staff	Comp. Plan Focus Area	Notes
Jan 16	<b>Budget Snapshot: Council Fiduciary Responsibility</b> 1. 2019 Finance Committee Work Plan 2. Discuss Proposed Financial Reports	Nanci Lien Debbie Sullivan Debbie Sullivan		
Feb 20	<b>Budget Snapshot: Financial Policies</b> 1. Fire Department Levels of Service and Future Needs 2. Fire Vehicle Replacement Funding Strategy 3. Budget Stabilization Reserve Policy 4. Oral Report – 2018 Year-End Balance	Nanci Lien Chief Wright Nanci Lien Debbie Sullivan Debbie Sullivan		
Mar 20	<b>Budget Snapshot: Revenue</b> 1. Budget Sustainability 2. Park Funding Policy – Operating, Capital, Reserve 3. Briefing on Financial Management Policy	Nanci Lien Debbie Sullivan Debbie Sullivan		
April 17	<b>Budget Snapshot: Annual Audit</b> 1. WCPA Financial Report 2. Transportation Master Plan Update 3. Commercial Parking Tax	Nanci Lien Debbie Sullivan Debbie Sullivan	Downtown Economy Economy	
May 15	<b>Budget Snapshot: Comprehensive Financial Annual Report</b> 1. Homeless Response Funding/Expenditure Update 2. Lifeline Utility Rate Update 3. Briefing on Long Term Debt	Nanci Lien  Andy Haub	CSH CSH	

June 19	<b>Budget Snapshot: Debt</b> 1. Multi-year revenue and expense projections 2. Building Condition and ADA Assessment Update 3. 2017 Public Safety Implementation Program Status/Budget	Nanci Lien Meliss Maxfield	Economy CSH	
July 17	<b>Budget Snapshot: Internal Controls and Ethics</b> 1. Briefing on 2020-2025 Preliminary Capital Facilities Plan	Nanci Lien Debbie Sullivan		
Aug 21	<b>Budget Snapshot: Contracts &amp; Purchasing</b> 1. Operating and Capital Budget briefings	Nanci Lien Debbie Sullivan/Steve Hall		
Sept 18	<b>Budget Snapshot: Impact Fees</b> 1. Briefing on Operating and Capital Budgets	Nanci Lien Debbie Sullivan/Steve Hall		
Oct 16	<b>Budget Snapshot: Investment Policy</b> 1. Review Utility Rates	Nanci Lien Andy Haub, Gary Franks		
Nov 20	<b>Budget Snapshot: Governmental Accounting</b> 1. Discuss Operating and Capital Budget	Nanci Lien Debbie Sullivan/Steve Hall		
Nov	<i>Special Meeting if Needed for Budget Discussion</i>			
Dec 18	<b>Budget Snapshot: TBD</b> 1. Draft 2020 Work Plan	Debbie Sullivan		

**Items to Schedule:**

WCPA Endowment Guidelines  
Police Auditor



## Finance Committee

### Discuss Recommendation for 2019 Financial Reports to Finance Committee

**Agenda Date:** 1/16/2019  
**Agenda Item Number:** 6.C  
**File Number:** 19-0056

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

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#### **Title**

Discuss Recommendation for 2019 Financial Reports to Finance Committee

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Receive a briefing on future financial reports to Finance Committee and discuss.

#### **Report**

##### **Issue:**

Whether to discuss 2019 Financial Reports to Finance Committee.

##### **Staff Contact:**

Debbie Sullivan, Administrative Services Director, Administrative Services, 360.753.8499

##### **Presenter(s):**

Debbie Sullivan, Administrative Services Director

##### **Background and Analysis:**

Staff will present a recommendation to Finance Committee to receive quarterly financial reports starting in April 2019. The intent of the report is to provide Finance Committee with periodic updates on the status of revenues and expenditures throughout the year.

Staff will discuss an example quarterly budget status report, the schedule and process for receiving them.

##### **Neighborhood/Community Interests (if known):**

N/A

##### **Options:**

1. Approve staff recommendation to present quarterly budget status to Finance Committee.
2. Direct staff to modify the quarterly budget status report recommendation and return to Finance

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

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Committee for further discussion.

3. Do not recommend receiving quarterly budget reports.

**Financial Impact:**

N/A

**Attachments:**

None