



## Meeting Minutes - Draft

### Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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**Wednesday, November 16, 2016**

**12:00 PM**

**Room 207**

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#### **Special Meeting**

#### **1. CALL TO ORDER**

Chair Cooper called the meeting to order at 12:05 p.m.

#### **2. ROLL CALL**

**Present:** 3 - Chair Jim Cooper, Committee member Jessica Bateman and Committee member Jeannine Roe

#### **3. APPROVAL OF AGENDA**

The agenda was approved.

#### **4. APPROVAL OF MINUTES**

##### **4.A [16-1276](#) Approval of October 12, 2016 Finance Committee Meeting Minutes**

The minutes were approved.

#### **5. COMMITTEE BUSINESS**

##### **5.A [16-1229](#) Oral Reports - Continued Status Reports and Updates (Review of Preliminary 2017 Operating Budget & Capital Facilities Plan (CFP))**

The Committee examined 2016 revenues, talked about new information since the last meeting, and unfunded items for 2017. The goal of the discussion was to come up with a recommendation for City Council on how to prioritize the list of unfunded one-time projects and unfunded ongoing operations in 2017.

#### Revenue

Administrative Services Director Jane Kirkemo outlined revenue:

- \$128,400 available in ongoing revenue
- \$140,729 available in Council goal money
- Capacity to increase revenue through:
  - Municipal Utility Tax (MUT) - Currently at 10%; no legal limit exists
  - Business & Occupation Tax (B&O)
    - If we raised everything currently at a rate of .01 to .02 it would

generate \$2.7 million

- Increasing B&O exemption from \$20,000 to \$250,000 would generate \$2.3 million

- Gambling Tax - Has additional capacity but any revenue generated must go toward enforcement

None of these taxes require a vote of the people.

### New Information

Community Planning & Development Director Keith Stahley gave an update on the Downtown Strategy Implementation Plan and examined funded and unfunded project needs. Committee members agreed discussion and planning is needed soon for the Isthmus property. They requested a referral to City Council to have a joint study session with the Parks & Recreation Advisory Committee. Mr. Stahley recommends giving some focus to the Homeless Coordination Planning project because it's getting a lot of public attention.

### Unfunded Items

City Manager Steve Hall led this part of the discussion. He began by indicating that most of Police's unfunded needs are not on the list because their needs are so great and some still need to be scoped. Their needs will have to be addressed differently. The Committee prioritized the list for unfunded one-time items as follows:

1. Fire Protective Gear - \$127,000
2. Comp Plan Implementation - \$40,000
3. Study of College Education Funding/Local Tax Regressivity - \$45,000
4. Public Process to Consider Police-Worn Body Cameras - \$80,000
5. Art/Cultural Program Enhancement - \$50,000

Mr. Hall also talked about 2017 unfunded operational needs (ongoing expenses). The Committee prioritized the needs as follows:

1. Downtown Sanitation - Early Morning Clean Team - \$90,000
2. Additional Ambassador/Welcoming Center/Celan Team Costs - \$22,400
3. Thurston County Historical Journal Publication - \$2,000/year

Ongoing Revenue	\$128,400
Less	
Downtown Sanitation	\$ 90,000
Downtown Ambassadors	\$ 22,400
Thurston County Journal	<u>\$ 2,000</u>
Total	\$114,400
<b>Available Funds</b>	<b>\$ 14,000</b>

One-Time Revenue	\$140,729
Less	
Fire Protective Gear	\$127,000
<b>Available Funds</b>	<b>\$ 13,729</b>

Mr. Hall suggested if enough money was left he would like to contract out for encampment clean-up to a company that specializes in that line of work. The Committee recommended carrying over the \$13,729 to combine with any year-end surplus. The Committee and Council will review the needs early next year when year-end numbers are known.

The Committee made the following referrals for 2017:

City Council

- Isthmus park planning

Utilities Advisory Commission (UAC)

- How to fund public restrooms through increases in water/sewer rates. Get UAC feedback and ideas.
- Develop a longer-term, forward-thinking approach to public restrooms that consider citizens' expectations.

Finance Committee

- Fire equipment replacement
- Mental health mobile outreach program
- Arts study - scope of work
- \$15/hr minimum wage

General Government Committee

- College affordability/access study scope of work/regressive tax structure impact on Olympians
- Community-oriented policing
- Options for citizen engagement

Capital Facilities Plan (CFP)

The Committee discussed the non-voted utility tax (NVUT) funding for park acquisition. The 2017 CFP includes ½ of 1% NVUT. The interlocal agreement states the CFP will include the full 1% NVUT if funding is available. If funding is not available funding will come from year-end savings unless there are exigent financial circumstances. Staff and the Committee agreed since the Olympia Metropolitan Parks District doesn't receive any funds until 2017 this portion of the interlocal agreement doesn't apply until next year. Specifically, if the 2018-2023 CFP doesn't include 1%

NVUT then the 2017 year-end surplus would supplement funding unless there are exigent financial circumstances.

**The report was completed.**

**6. REPORTS AND UPDATES - None**

**7. ADJOURNMENT**

Chair Cooper adjourned the meeting at 1:36 p.m.