



**Finance/Administration Committee**  
**City Hall – 200 NE Moe Street**  
**3<sup>rd</sup> Floor Conference Room**

<b>Subject</b>	<b>Meeting Minutes</b>	<b>Date</b>	<b>03/15/17</b>
<b>Recorder</b>	<b>City Clerk Rhiannon Fernandez</b>	<b>Start Time</b>	<b>5:10 PM</b>
<b>Committee Chair</b>	<b>Ed Stern</b>	<b>End Time</b>	<b>6:14 PM</b>
<b>Committee Members</b>	<b>Gary Nystul, Kenneth Thomas, Ed Stern</b>		
<b>Staff Present</b>	Mayor Erickson, Finance Director Booher, City Clerk Fernandez		

**Agenda**

No.	Topic	Action/Recommendation/Discussion
<b>1.</b>	<b>Administrative:</b>	
	a. Questions & Concerns of the Committee	None.
	b. Agenda and Extended Agenda Review	
	1. 03/15/17-Members Absent-	
	2. 04/05/17-Members Absent-	
	c. Committee Minutes of March 01, 2017	Approved as amended by Nystul.
	d. Committee Minutes of February 01, 2017	Approved.
<b>2.</b>	<b>Agenda Items</b>	
	a. Carryover Discussion	<p>Booher reported the General Fund carry over is \$310,990. Variable highlights in revenue were: property, sales, and utility taxes (sales tax \$337K over budget), business license and cable franchise fees, development fees, indirection allocations, investment earnings and service fees, and surplus of inventory and equipment. Variable highlights for expenditures were voter registration, legal expenditures, small tool purchases, jail costs/electronic home monitoring, vacant positions, engineering and planning professional services carried over, and overall departmental conservative spending.</p> <p>Discussion was held on jail medical bills. The January bill was double what it was last year. Risk Manager Foster is following up with a charge from the jail. If we are requiring everyone to have health care through Obamacare, why do we have to pay out of pocket for medical expenses when someone is admitted with no health care coverage. They should be Medicaid eligible.</p> <p>She reviewed the carryover requests/adjustments (totaling \$62,776) and special revenue carryover for:</p>

		<p>debt service funds; Capital Equipment Fund 301; Park Projects Fund 302; Street Projects Fund 311; Fund 314 Cemetery reserves; Facility Fund 331; Operations Utility Funds; Utility Water Fund 401 – Capital; Sewer Fund 403 – Capital; Utility Solid Waste Fund 404 – Capital; and Utility Storm Drain Fund 410 – Capital.</p> <p>Booher said they are looking at bringing in a financial advisor for debt issues. The debt we are looking at this year is revenue debt for the County for sewer.</p> <p>Booher reviewed the impacts of the solid waste decision: will need to pay for professional services to come up with a functional plan. Right now, Solid Waste is operating at status quo. They are going to buy the trucks and fill their vacancies. The impacts will come once the levels of service are determined.</p> <p>The Mayor’s recommendation for the extra revenues is to put it into revenue stabilization and monitor the budget throughout the year to make sure our revenues and expenditures are tracking.</p>
	<p><b>b.</b> Monthly Sales Tax</p>	<p>Booher reported on December 2016 tax received in February 2017, there is an increase of less than 1 percent. Year to date the City is 4.89 percent over last year, and higher than anticipated budget through February. The largest increase was the Accommodation and Food Service Trade.</p>
	<p><b>c.</b> Real Estate Excise Tax</p>	<p>Booher reported the REET Fund 121 trend shows that we are growing. This fund is hard to predict, but they have budgeted \$250,000 for 2017. January 2017 is -2.4% variance.</p>
	<p><b>d.</b> Compliance with 2 CFR 200</p>	<p>Booher said these are new updates they put out for federal grants. They were dropped on us in October/November. We did just update the signature requirement. No one has come out with a new policy for this. Staff is looking at developing a grant policy. She is comfortable that we are compliant with this. We do not have to do the single audit this year. Every time we get a grant, our accountant and department all sit with the granting agency to see what is required.</p>
	<p><b>e.</b> Library Roof Repairs</p>	<p>Booher reported they met with the library board. Right now, they have some very serious roof leaks. PW</p>

		<p>Superintendent Lund looked at the roof, and said it will take less than \$8,000 for temporary repairs. The intent is to give the building to the library once we get the lot line adjustment. The City has spent around \$750,000 out of the general fund for the last ten years maintaining the library building. This will come out of the \$45K allocated to the roof.</p>
	<p><b>f.</b> Police Vehicle Leasing</p>	<p>Stern said the Police Department will come to the next FAC meeting. They are looking at the idea of lease-to-purchase and going through the state treasurer's office. They have a couple of scenarios. This would involve a police vehicle replacement program. The state offers a loan program at 1.8% interest.</p>
	<p><b>g.</b> Final budget document</p>	<p>Booher reported the final budget document is complete and posted on line. They are sending it off to GFOA.</p>