



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

Subject	Meeting Minutes	Date	05/04/16
Recorder	City Clerk Rhiannon Fernandez	Start Time	5:00 PM
Committee Chair	Kenneth Thomas	End Time	6:18 PM
Committee Members	Gary Nystul, Kenneth Thomas, Ed Stern		
Staff Present	Mayor Erickson, Finance Director Booher, Clerk Fernandez		

Agenda

No.	Topic	Action/Recommendation/Discussion
1.	Administrative:	
	a. Questions & Concerns of the Committee	Booher gave an update on Thomas' audit question. Trina will get the response to the FAC. Nystul mentioned the website homepage needs to be updated. Discussion held on lead and water.
	b. Agenda and Extended Agenda Review	
	1. 05/04/16 – Members Absent –	None.
	2. 05/18/16 – Cancelled	
	3. 06/01/16- Members Absent-	Stern absent from FAC and Council, PSRC
	4. 06/15/16- Members Absent	May 25 Stern absent from EDC; June 22, Stern absent for AWC annual meeting. Nystul will audit on Friday.
	c. Committee Minutes of September 2, 2015	Approved, Nystul abstained
	d. Committee Minutes of September 23, 2015	Approved, Nystul abstained
	e. Committee Minutes of October 7, 2015	Approved, Nystul abstained
2.	Agenda Items	
	a. Purchasing Manual	Previously discussed on 4/20/2016
	b. Quarterly Budget Status Report	Report given. Reviewed revenues and expenditures for all funds month ending 3/31/2016. Reviewed explanations of variances (+/-) 15 percent. Discussed financial management compliance explanations. Discussed the cemetery fund. Revenues higher than projected, and cash balances are good.

	c. Monthly Sales Tax Report	Report given. Exceeded the past 4 years. 7.5% higher than year to date.
	d. Real Estate Excise Tax	Report given. Trending very well. Should be at 25% and we are at 36%.
	e. Special FAC Meeting Discussion	<p>Erickson gave a quick overview of the departments' staffing levels and needs. A full presentation will be given at the special FAC meeting. Thomas requested current/proposed org charts with all requests.</p> <p><i>Special FAC meeting scheduled for 5/24/2016 at 12:30 PM.</i></p>
	f. Surplus Properties	<p>Erickson gave an update on the sale of surplus properties. Booher discussed the possibilities of the proceeds. It is up to Council; however, the original intent was to back fill the debt payments. That is why the 2012 note we went out for we went with a five year call because originally we were suppose to sell the properties and not go out for that next round of debt. The police station was never in the original agreement, but it became part of it because of the devaluation of the City Hall property. Here is the question: we have a lot of things we are talking about going out to debt for, like the PW Yard, we need to evaluate whether we pay down the debt, which may not be as much savings as debt service cost for future projects. The Council needs to decide if they want to pay down the debt, or utilize it and not go out for future debt. On the 2009 debt, they just got much lower interest rates. She is continuing to monitor if it would be cheaper to borrow money or use the cash we have. We are not far enough into the design to look at the rates. It is a timing question. The city will also be doing revenue debt for the sewer, and engineering's CIP. The goal is to keep it under \$10MM per annum for the lowest rates.</p> <p>Discussion was held regarding risks the City is facing. Stern wants to understand the limits of the insurer's liability and where the City stands. He would like some time to pass before reallocating funds.</p>