



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

Subject	Meeting Minutes	Date	10/02/19
Recorder	City Clerk Fernandez	Start Time	5:04 PM
Committee Chair	Jeff McGinty	End Time	6:45 PM
Committee Members	Jeff McGinty, Kenneth Thomas, Ed Stern		
Staff Present	Mayor Erickson, Finance Director Booher, Councilmember Nystul (quorum noticed on 10-01-19), Accounting Technician Ellington, City Clerk Fernandez		

Agenda

No.	Topic	Action/Recommendation/Discussion
1.	Administrative:	
	a. Questions & Concerns of the Committee	Booher reported she hired an accounting manager who starts on October 16.
	b. Agenda and Extended Agenda Review	
	1. 10/02/19-Members Absent-	
	2. 10/16/19-Members Absent-	
	c. Committee Minutes of August 07, 2019	Approved.
	d. Committee Minutes of August 21, 2019	Approved.
	e. Committee Minutes of September 04, 2019	Approved.
2.	Agenda Items:	
	a. Surplus Disposal	Ellington reviewed the items that are ready for surplus in governmental and proprietary funds. Other departments get first chance to claim items. Booher reviewed the software used for auctioning the items (GovDeals) and noted firearms go to Tacoma and are melted down.
	b. Monthly Sales Tax Report	Booher reported revenues generated in July and collected in September. It is slightly down from last year; however, we are exceeding the budget projections.
	c. Budget Mid-Year Adjustment	Booher reviewed the funds that are being adjusted in 2020 based on 2019 revenues (increased sales tax, criminal justice sales tax, electric utility tax, cable franchise fee, state shared revenue, zoning fees, and investment earnings/decreased building permits, plan checking, and traffic infractions); the expenditure increases (meeting contractual obligations to get to the base); projected fund balances (revenue stabilization, legal, cash outs, peg fees,

		<p>substance abuse), net operations projections; projected beginning balance of \$297,668; and net incomes/losses from 2006 through 2018.</p> <p>Discussion held on Noll Road; they should know in the next 3-4 months what amount will need to be borrowed. They have received all grants and are now looking at the number of impact fees and the amount of REET we want to dedicate to it. It will be between a \$2MM-\$3MM debt issue. They hope to go out to bid in November/December for Noll Road, but Finn Hill is a variable (this project must be done). There is still a set-aside for neighborhood streets. Neighborhood street projects will happen next summer.</p>
	d. Observations from the CAFR	<p>Nystul looked at how our business units were doing. Water has an operating loss. It was of concern to him. He shared the discussion regarding depreciation and the need to replace items. If you had a \$500 iron pump 50 years ago, you would need \$3300 to replace it today. The depreciation expense on the original is underfunded. Booher said when they do the rate studies, they look at the 20-year plan and building the rates and planning for the long-range infrastructure needs. She said depreciation on cost of an item is nothing for replacement of an item, and hopefully we take that into account.</p>
	e. Budget Implementation	<p>Nystul wanted to know about the chip seal projects budgeted for 2019. Erickson said Public Works will do it next summer. They may need to hire a consultant.</p>
	f. Observations from WFOA Conference	<p>Nystul brought back information from WFOA, which included surveying communities (to learn areas of importance for budgeting); shared info on 2019 cybersecurity panel discussion. He suggested having a performance audit on jail costs (have the four cities and the county to ask for it together) – are they doing good spending and are they fair in their billing.</p>
3.	Mayor and Department Head Comments:	None.