



## Finance/Administration Committee

**\*\*This meeting was held virtually.**

<b>Subject</b>	<b>Meeting Agenda</b>	<b>Date</b>	<b>06/17/2020</b>
<b>Recorder</b>	<b>City Clerk Rhiannon Fernandez</b>	<b>Start Time</b>	<b>5:00 PM</b>
<b>Committee Chair</b>	<b>Ed Stern</b>	<b>End Time</b>	<b>6:51 PM</b>
<b>Committee Members</b>	<b>Jeff McGinty, Gary McVey, Ed Stern</b>		
<b>Staff Present</b>	Mayor Erickson, HR Manager Kingery, Planning Director Boughton		

Agenda		
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<b>1.</b>	<b>Administrative:</b>	
	a. Questions & Concerns of the Committee	Stern shared information from AWC on the projected revenue declines of WA cities. Sales tax has declined the most, property tax the least. They reviewed how other cities are going to balance their budgets, and currently implemented budget expenditure reductions.
	b. Agenda and Extended Agenda Review	
	1. 06/17/20-Members Absent-	
	2. 07/01/20-Members Absent-	
	c. Committee Minutes of June 03, 2020	Typo in the first paragraph, the word discussion was repeated twice. With that correction, the minutes were approved.
<b>2.</b>	<b>Agenda Items:</b>	
	a. CARES Funding Options	Booher shared the proposed expenditure list, noting there were not any significant changes from the Council discussion last week. They had a call with their FEMA representative today about the hierarchy of reimbursements. They learned there is no hierarchy. FEMA has given greater restrictions, like only covering PPE for first responders. FEMA is focused on the health and welfare, not economic recovery. They are now recommending the CARES funding for 25% match. She knows they have currently spent \$29,000. There are grey areas for reimbursements. For example, COBI hired a position specific to the COVID-19 event, and FEMA said it is not covered.  She heard Councilmember Phillips wanting more funds allocated for utility grant requests. They are continuing to

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		<p>work on that, and still not charging penalties and shut offs. This may need to extend through July.</p> <p>The Auditor's Office recommends documentation and screen capturing of parameters, as they are changing daily.</p> <p>Erickson said these numbers are still fluid. It is still a work in progress. She wants to know if this is the right direction/the spread of the numbers. McVey felt at the last council meeting she got the consent she needed about the direction we are headed.</p> <p>McVey asked how the \$10K for PPE to businesses was holding up and wanted an update on the Fjord traffic study. Erickson said her understanding was the PPE distribution was going well. She recommended ordering more once we get down to 600 masks. The traffic study for Fjord Drive One-Way is done. They will walk it again to make final recommendations on what they are going to do. Booher said some of the capital improvements may not be eligible (there are gray areas), like 6<sup>th</sup> Avenue mitigation efforts.</p> <p>Booher noted the County is going to be funding the food banks. That is why there are not funds allocated to food bank replenishment. There may be a request to support Gateway.</p> <p>Booher said the emergency leave is the only big question mark on whether it can be reimbursed by CARES funding.</p> <p>McVey asked about the business grant requirements. He wants to require they are public facing businesses. He will suggest it at the Council meeting tonight.</p> <p>Stern asked if there is a contingency plan if we have a second wave how we could utilize funds. Erickson said she brought this up at KEDA and was shot down. She would prefer to do the business granting in August/September. She is worried about the shoulder season. KEDA feels businesses need the money now. And she was told there could be a potential of more money coming. So, it is recommended to get this rolling now with the hope that more funding will come later. Stern was thinking of a Plan B, of what were acute needs and what could happen again? Booher said there is contingency built in, because many of</p>

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		<p>the dollars can be submitted to FEMA, and the emergency is also a contingency, because it is built into the budget.</p> <p>Erickson said if there is a second wave, it will be hard to shut businesses again and make people go backwards. She expects to see mask use enforced instead. She said that is scary, because with the Spanish Flu, it was the second wave that killed the most people. She doesn't have a Plan B.</p> <p>McVey asked if there is a stockpile of PPE, if not, should we be thinking about that moving forward. Erickson said they could, but we can readily buy those materials that were hard to come by during the beginning of the pandemic. She is not sure that would do much good. She is trying to think of something we can do to support people if it comes back again, other than what we are doing now, and she does not have any more ideas. Stern wanted some thought given to a shadow budget. Gateway, or other proven responses may need to be funded again.</p> <p>Erickson also expressed how the schools will have a huge impact on how the businesses are going to operate. If parents must stay home and educate kids, it will impact the economy.</p>
	<b>b. Budget Discussion</b>	<p>Booher gave a presentation on the budget which included:</p> <p>Current budget revenue (sales tax and admission tax are down, development revenues currently sustaining, charges for services are down, grant revenues for SRO and Behavioral Health impacted, investment earnings expected to decrease); current budget expenditures (department spending down for travel and training, staff vacancies, projected cash outs may carryover to 2021, delayed of planned professional services, planned debt payment for Noll Road, adjustment to indirect allocations, and increase in legal costs); 2020 projected net loss was \$1.6MM with expectation to use fund balance (hopeful we will come out "okay" and not need additional reserves).</p> <p>Looking into 2021: anticipated revenue impacts (15% to 40% reductions; budget has historically been prepared with conservatism; items reviewing for impact include sales tax, admission tax, fuel tax, development revenue and program fees; items being looked at for Mayor's proposed preliminary budget include increase of utility tax and</p>

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		<p>allowing for marijuana sales.</p> <p>Mayor's Proposed Preliminary Budget Ideas: review programs and services for reductions; decrease in transfers (debt payments supplemented by REETS, capital equipment, neighborhood streets, park capital reserves, Noll Road debt); contracted services (KEDA, SBDC, BKAT, Lobbyist); vacant positions remaining vacant, departmental operating budget reductions, reviewing bargaining unit agreements, voluntary separation in lieu of layoffs.</p> <p>Discussion was held regarding funding the new mechanic position and why it is being recommended now when it has not been done in the past.</p>
3.	<b>Mayor and Department Head Comments:</b>	<p>Boughton reported the Fairfield Inn Hotel building permit was paid for and picked up. There may be a building permit for apartments up in the College Marketplace. They also received four model home permits for Crystal View. Another plat will also be coming in. And Liberty Bay Bank is building a new bank across the street from its current location.</p>