



Finance/Administration Committee

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

Subject	Meeting Agenda	Date	08/05/20
Recorder	City Clerk Rhiannon Fernandez	Start Time	5:03 PM
Committee Chair	Ed Stern	End Time	6:48 PM
Committee Members	Jeff McGinty, Gary McVey, Ed Stern		
Staff Present	Mayor Erickson, Mayor Erickson, City Clerk Fernandez, Sheila Danielson, Deanna Kingery, Diane Lenius, Mary McCluskey		
Agenda			
No.	Topic	Action/Recommendation/Discussion	
1.	Administrative:		
	a. Questions & Concerns of the Committee	<p>Stern had an audit question regarding the museum. Booher stated that the museum owns part of the building, and they share a part of the utility costs. They are charged 3% of water, irrigation, and PSE. They also share a custodian.</p> <p>Stern noted that store front retail is dying, and they are losing taxes from that, but he wanted to know if the online sales made up for those losses. Booher answered that any online sales that are coming into the City, they collect taxes on. They commonly refer to it as the Wayfair Act.</p> <p>Erickson pointed out that malls represent a loss in commercial value, which are based on a 1970s/1980s model. She noted the City is over-zoned in commercial property and under-zoned in residential property, leading to decreases in commercial property and increases in the housing crisis.</p>	
	b. Agenda and Extended Agenda Review		
	1. 8/19/20-Members Absent-		
	09/02/20-Members Absent-	Councilmember Stern will not be present.	
	c. Committee Meeting Minutes 6-17-20	Approved.	
	d. Committee Meeting Minutes 7-1-20	Approved.	
	e. Committee Meeting Minutes 7-15-20	Approved.	
2.	Agenda Items:		
	a. Monthly Sales Tax	Sales tax generated in May were collected in July. From May to May, they are up about 5.5%, but they are down 9% YTD. We are slightly under budget projections.	

	b. Real Estate Excise Tax	REET collected is 55% lower than last year. We are at 42% of budget. This is lower than prior years. Our budget projections are much less than we collected in prior years. We are still within budget projections.
	c. Audit Costs - Review	Booher reviewed the audit costs, and what the rate increase encompassed (rates, in-depth, single audit).
	d. Quarterly Status/Financial Review (reference email sent from Missy)	<p>Booher reviewed +/-15% variance: cemetery, planning services, risk insurance premium, public safety software system from CENCOM. She reviewed revenues vs. expenditures. Booher showed that the City has much less in the General Fund cash and investment balance than last year, so she reviewed it line by line to see where the shortfalls occurred.</p> <p>Erickson discussed ways the City will decrease expenditures (closing the preschool and laying off most of the Parks and Recreation staff, not filling open positions, implement a voluntary separation program, etc.) and increase revenues (increase utility taxes – and recommend codifying them, where they increase to 12% for 2 years, then drop to 10% for 2 years, then 8% for 2 years, then 6% after that) for the foreseeable future and asked the committee for their input.</p>
3.	Mayor and Department Head Comments:	Kingery will email the committee the voluntary separation agreement before next week’s council meeting.