



Finance/Administration Committee

This meeting was held virtually.

Subject	Meeting Minutes	Date	10/07/2020
Recorder	City Clerk Rhiannon Fernandez	Start Time	5:00 PM
Committee Chair	Gary McVey	End Time	6:38 PM
Committee Members	Jeff McGinty, Gary McVey, Ed Stern		
Staff Present	Mayor Erickson, Finance Director Booher, HR Manager Kingery, City Clerk Fernandez, Marianna Smyth & Brenda Yates (HDPA), Police Administrative Services Manager Ziemann, Senior Budget Accountant Gaines, Accounting Manager Danielson		

Agenda

No.	Topic	Action/Recommendation/Discussion
1.	Administrative:	
	a. Questions & Concerns of the Committee	
	b. Agenda and Extended Agenda Review	
	1. 10/07/20-Members Absent-	
	10/21/20-Members Absent-	
	c. Committee Meeting Minutes – 09/16/2020	Approved.
2.	Agenda Items:	
	a. CARES Funding Update	Erickson reviewed how much funding is available and the time frame for expending the funds. \$335,400 was awarded in March and an additional award of \$167,700 was received on August 1. She reviewed the \$318,600 that has been spent as of September 30, and the additional requests from other entities. Balance to spend is \$184,500. HDBA Board members Marianna Smyth and Brenda Yates presented the request from HDPA for CARES funding (marketing campaign, PPE purchasing, parking enforcement on Front Street, and sanitation station purchase).
	b. Monthly Sales Tax	Booher reported revenues collected in September that occurred in July: 6.5% higher than last year; YTD down 5.5%. Doing better than anticipated.
	c. Real Estate Excise Tax (REET)	Booher reported we are down \$23,000 from this time last year. Overall, we have exceeded our budget.
	d. 2021-2022 Mayor's Preliminary Budget	Booher reviewed the 2021-2022 funds (general, special revenue, debt service, capital projects, enterprise funds (Total 2021: \$32,314,306; 2022: \$32,497,965;

Combined: \$64,812,271).

-Estimated beginning balances – reduced.

-Revenues projected with anticipated decreases

- Sales tax (decrease of 9% from what was collected in 2019)
- Admission tax (67% decrease)
- Development revenues
- School District Revenue (less events and no need for SRO officer when school is closed)
- Program Revenues
 - Park & Recreation
 - Passports
 - Business Licenses
- Investment earnings (less cash to invest and low interest rates for reinvestment)

-City Utility Taxes – water, sewer, and storm were increased to 12% with scheduled decreases occurring in future budget years. -Solid waste remained at 6%.

-Most recent Property tax figures from County.

-Wages and benefits

- Contractual increases
- Estimated benefit increase – will continue to update
- Voluntary separation positions removed (4)
- Anticipated retirement cash outs.

-Contractual increases

-Removed contractual amounts for Lobbyist (\$51,000), KEDA (\$10,000), NLC (\$1151), SBDC (\$10,000)

-Transfer adjustments

- Reduce transfer to Neighborhood Streets (\$150,000)
- Reduce transfer to Parks Reserves (\$50,000)
- Increasing transfer from REET for City Hall Debt resulting in a reduced transfer from General Fund (\$150,000)
- Reduction in transfer to Capital Equipment funds (\$50,000)
- Estimated transfer for Noll Road debt included in budget (\$180,000)

-Capital Equipment Items as recommended by Mayor

- New laptops for all police officers to be compliant with new software County is implementing (110,000)
- Capital projects consistent with proposed CIP

No baseline adjustment requests (BARs) or new program requests (NPRs) are in this preliminary budget. These will be discussed later. She reviewed the projected general fund revenues (charges for services

		<p>have substantially decreased, mostly Parks & Rec) and projected general fund expenditures for 2021-22. We are only looking at using \$68,000 in reserves in 2021. It increases more in 2022 due to wages and benefits (union negotiations will have to occur). She reviewed the projected fund balance for 2021 and 2022, and they meet the financial policies. She wouldn't recommend spending the reserves much more as they consider NPRs and BARs.</p> <p>Stern is not thrilled with the Neighborhood Streets not getting a transfer. The point is to keep streets that are falling apart from having to be reconstructed at a greater cost. Time is not on their side. McGinty agreed. Erickson said there is \$400,000 in the fund without a transfer. They can do streets for two years without transfers. It was a timing issue waiting to partner with BI, and the next time it was a staffing issue. Lund will do it every summer.</p>
<p>3.</p>	<p>Mayor and Department Head Comments:</p>	<p>Booher said she worked with Lauren Ellington, and they submitted their first ever FEMA application. Ellington did an exceptional job. FEMA is allowing \$33,000 in requests. Also, they are still working through a software upgrade for Central Square. They hope to have it live December 1. She has been meeting with the CARES Committee for the grant recommendations.</p> <p>Erickson said she is worried about the staff; we are very short. There are a lot of changes going on internally with shifting responsibilities. It is tough, it is not a fun time. We have been working very hard. She has been watching the City of Seattle and is grateful she has a council that is understanding and works with her.</p> <p>McVey said the planning for the community panel discussion has been going well. They have six of the eight panelists confirmed.</p>