

# City of SeaTac

## 2017-2018 Mid-biennium Budget Workshop

### Minutes Synopsis

November 3, 2017 (Friday)  
1:00PM

City Hall  
Council Chambers

**CALL TO ORDER:** The SeaTac City Council Budget Workshop was called to order by Mayor Michael Siefkes at 1:00 p.m.

**COUNCIL PRESENT:** Mayor Michael J. Siefkes, Deputy Mayor (DM) Pam Fernald, Councilmembers (CMs) Rick Forschler, Kathryn Campbell, Peter Kwon, Tony Anderson, and Erin Sitterley.

**STAFF PRESENT:** City Manager Joe Scorcio, City Clerk Kristina Gregg, Budget Analyst Alexis Briggs, Parks, Community Programs and Services (PCPS) Director Lawrence Ellis, Building Services Manager Gary Schenk, Public Works (PW) Director Will Appleton, Police Chief Lisa Mulligan, Executive Assistant Lesa Ellis, Senior Program Management Analyst Tim Ramsaur, Human Resources Manager Vanessa Audett, Municipal Court Administrator Gail Cannon, Deputy Fire Chief Brian Wiwel, Management Analyst Anita Woodmass, IS Manager Bart Perman, Facilities Manager Brian Ruda.

**PUBLIC COMMENTS:** Earl Gipson requested, when considering decision cards, if the SeaTac Center is sold, the City will lose \$750,000 in revenue.

City Manager Scorcio stated the decision cards were reviewed by the Administration & Finance (A&F) Committee, without recommendation.

#### Financial Update

Budget Analyst Briggs reviewed 3<sup>rd</sup> quarter reports by highlighting revenues and expenditures:

Revenues:

- 2017 Property Tax – Year End estimate \$15.6 million due to increase in assessed valuation
- Sales & Use Tax – trending upwards, increased estimate to \$12.3 million
- Real Estate Excise Tax (REET) – Year-end estimate \$1.2 million due to a large payment for the acquisition of controlling interest

Expenditures: under spent expenditures and managed reductions in all funds are estimated to be \$2.09 million

Discussion ensued regarding the salary savings and unfilled positions. Mr. Scorcio stated when positions become vacant, departments are asked whether the position needs to be filled and if so, at what level.

Discussion ensued regarding - revenues: permit plan review up, construction projects down; and expenditures: building management increase due to energy costs.

Estimated General Fund (GF) ending fund balance (EFB), after reserves of \$12.5 million, is \$2.09 million. Mr. Scorcio stated the GF EFB reflects a \$4.25 million payment for the settlement agreement.

Mrs. Briggs also provided estimated EFB for the CIP funds.

Mr. Scorcio stated staff will be discussing with the A&F Committee early in 2018 in preparation for the next budget whether some of the CIP funds should have an established reserve like the GF.

Mrs. Briggs also provided estimated EFB for the Special Revenue funds and Enterprise and Debt service funds. She stated most of the increases for the Enterprise and Debt service funds is due to interest.

#### Budget Objectives

City Manager Scorcio highlighted the budget objectives: successful approach, established specific performance expectations and time frames; department and fund realignments have been approved with implementation continuing in 2018; service contracts reviewed and updated, additional reviews in 2018; and additional staff positions and special projects with specific performance expectations established.

**Revenues**

Property Tax Levy: Mrs. Briggs discussed the process for setting the 2018 property tax levy. Discussion ensued regarding the 2018 levy and whether to bank capacity.

She provided a historical view of the property tax levy assessed by the City from 2012 to 2018. Discussion ensued regarding property tax.

Automated Traffic Enforcement Budget Reduction: Mrs. Briggs stated with the elimination of the program, there is a reduction in revenue in 2018 of approximately \$25,593. In subsequent years, the reduction will be closer to \$185,000.

**Decision Cards**

Staff reviewed the following decision cards and Council discussion ensued.

<b>General Fund 001</b>			
Decision Card	Dept.	\$	Council consensus
SCA and AWC Annual Dues Increases	City Council	\$2,304	Fund
Assessment of Police & Fire Contracted Services	CMO	\$150,000	Fund
City Manager Transition – 4 Month Salary Overlap	CMO	\$79,795	Fund
Transfer & Dissolve Facility Repair & Replacement Fund	Finance / IS	\$153,497	Fund
A/V Equipment Maintenance Increase	Finance / IS	\$8,620	Fund
King County Voter Registration Fee	Legal/Clerks	\$14,600	Fund
Class & Comp Study Impacts / Payroll Adjustments	HR	\$285,789	Fund
Property & Liability Insurance Premiums Increase	HR	\$175,000	Fund
Property & Liability Insurance Deductibles Increase (001/501)	HR	\$250,000	Fund
SCORE Jail Contract Increase	Police	\$271,274	Fund
Two Additional Police Officers – COPS Hiring Grant	Police	\$374,504	Fund
Additional Police Overtime Cost	Police	\$75,000	Fund

**RECESSED:** Mayor Siefkes recessed the Workshop from 3:14 p.m. to 3:24 p.m.

<b>General Fund 001 (continued)</b>			
Decision Card	Dept.	\$	Council consensus
Regional Animal Services of King County Increase	Police	\$13,625	Fund
LED Lights for SeaTac Community Center	PCPS	\$17,000	Fund
Special Events at Riverton Heights Park	PCPS	\$12,000	Fund
Arts Master Plan Development	PCPS	\$25,000	Don't fund
Ballistics Panels for Council Chambers & Court Room	PCPS	\$7,500	Don't fund
Replace Two Inspector Vehicles	Community & Economic Development (CED)	\$62,100	Fund

<b>Street Fund 102</b>			
Decision Card	Dept.	\$	Council consensus
Additional Engineering Review Technician (102/403)	CED	\$89,500	Fund
ADA Sidewalk Transition Plan	PW	\$55,000	Fund
Additional Civil Engineer II – Sound Transit Funded	PW	\$160,000	Fund
Street Small Works Maintenance Program	PW	\$150,000	Fund

<b>Transportation Capital Improvements Fund 307</b>			
Decision Card	Dept.	\$	Council consensus
Des Moines Memorial Drive & South 200 <sup>th</sup> Street Intersection Improvements	PW	\$200,000	Fund

<b>Municipal Capital Improvements Fund 301</b>			
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Decision Card	Dept.	\$	Council consensus
Microphone Queuing System & Vote Board	Finance/IS	\$22,500	Don't fund

<b>Municipal Facilities Capital Improvements Fund 306</b>			
Decision Card	Dept.	\$	Council consensus
Maintenance Facility Roof Repair	PCPS	\$25,000	Fund
Fire Station #47 Demolition	PCPS	\$34,000	Fund

Mr. Scorcio stated he heard six budget objectives/actions that he will incorporate in the next Council packet related to the budget.

### **Procedural Schedule**

Mrs. Briggs questioned how Council wanted to move forward with the Budget and Property Tax Levy Public Hearings (PHs) and Council action. PHs have been set for November 14. Council concurred with PH and action items at the November 14, 2017 Regular Council Meeting.

### **2018 Legislative Agenda**

Gordon, Thomas, Honeywell Government Affairs Vice President Briahna Murray and Consultant Chelsea Hager presented the revised agenda.

Ms. Murray explained changes made since the last meeting: Mobile Home Parks moved back to external agenda, and Local Control – adjusted some wording.

Discussion ensued regarding the changes.

Council concurred to send the Legislative Agenda to the November 14 Regular Council Meeting Consent Agenda.

**ADJOURNED:** Mayor Siefkes adjourned the Budget Workshop at 4:38 p.m.