



Administration and Finance Committee Minutes

May 2, 2016
4:00 PM

SeaTac City Hall - Riverton Room 128

Members:	Present:	Absent:	Commence:	4:04 P.M.
			Adjourn:	6:07 P.M.
Erin Sitterley, Chair	X			
Peter Kwon	X			
Pam Fernald	X			

Other Council Members Present: Kathryn Campbell, Rick Forshler, Michael Siefkes

Staff Coordinator: Aaron Antin, Finance & Systems Director

<p>1. 2016 Budget Update</p>	<p><u>X</u> Informational Update</p> <p><i>A review of the 2015 General Fund Performance was presented and discussed. Both revenue performance by major category, along with variances to budget expectations were reviewed, explained and discussed. 2015 Expenditures by Department were also reviewed, explained and discussed. The resulting impact of this performance on the ending fund balance for 2015 and the corresponding beginning fund balance for 2016 was presented and explained. It was also noted that these results are unaudited, as per State law the City is to remit the financial statements that contain these results by the end of May, 2016, and the State Auditor's Office would then audit this as part of their annual audit, which is expected to be later in the Fall of 2016. It was also noted that a further presentation of these summarized results, along with an updated 2016 forecast on revenues and expenditures is planned for the City Council regular meeting on 5-10.</i></p>
<p>2. 2017-2018 Budget Direction</p>	<p><u>X</u> Recommended Actions</p> <p><i>Finance & Systems Director Aaron Antin reviewed each item in the Macro Budget Memo that was talked about previously at several prior public meetings, and was also sent to Council previously as part of the earlier Retreat that had been planned and later suspended until a future date. After detailed discussion on each of the items, the following recommendations were made by the A&F Committee:</i></p>

	<p><u>Revenues:</u></p> <ol style="list-style-type: none"> 1. Recommend considering 1% increase in the City's portion of the allowable regular property tax levy, but needs more discussion before action as this is trending no. The 1% amount is approximately = \$130,000 per year Citywide. 2. Recommends to pursue airport related revenue sources 3. Recommends that an adjustment of parking tax fee rates and methodology (percent vs. flat fee) be considered. Last rate change was 2009, no inflationary provision in the current rate. 4. Re-affirmed the current use of construction sales taxes for operations vs. one-time capital should continue for the 2017-2018 biennium. <p><u>Expenditures:</u></p> <ol style="list-style-type: none"> 1. Recommended a target of 33% or four months strategic reserve by 2018 2. Recommended that decision cards be brought forward if recommended by the Acting City Manager 3. Included reserve balance in the definition of a "balanced budget" 4. Recommended that a line be added for donations for human services, no change to the 1.5% policy direction. 5. Recommendation to review financial policies listed in the adopted budget document at the next A&F Committee Meeting.
<p>3. Future Meeting Schedule</p>	<p><u> X </u> Recommended Action</p> <p>Following discussion, it was recommended that the A&F Committee establish a regular monthly meeting date and time of 3PM on the First Monday of the Month, the next meeting is planned for June 6. It was noted that exceptions will need to be made for Monday holidays in July and September.</p>