

City of SeaTac

2021-2022 Council Budget Workshop 4

Minutes Synopsis

October 16, 2020 (Friday)
4:00 PM

Virtual Meeting

CALL TO ORDER: Mayor Erin Sitterley called the SeaTac Budget Workshop to order at 4:00 p.m.

COUNCIL PRESENT (remotely): Mayor Erin Sitterley, Deputy Mayor (DM) Peter Kwon (arrived at 4:04 p.m.), Councilmembers (CM) Stanley Tombs, Clyde Hill, Takele Gobena, and Pam Fernald. Excused absent: CM Senayet Negusse.

STAFF PRESENT (remotely): City Manager Carl Cole, Senior Assistant City Attorney Mark Johnsen, City Clerk Kristina Gregg, Finance & Systems Director Gwen Pilo, Budget Analyst Alexis Briggs, Deputy City Manager (DCM) Gwen Voelpel, Information Systems (IS) Manager Bart Perman, Government Relations & Communications Manager Kyle Moore, Parks, Community Programs and Services (PCPS) Director Lawrence Ellis, Senior Management Analyst Tim Ramsaur, Community & Economic Development (CED) Director Evan Maxim, Public Works (PW) Director William Appleton, Police Chief Jon Mattsen

AGENDA REVIEW:

- A. Virtual Meeting: live streamed on SeaTV Government Access Comcast Channel 21 and the City's website; conference line to listen to the meeting at 206.973.4555; and no one will be able to physically attend this meeting.
- B. Public Comments: remote oral and written public comments; speakers who signed-up prior to 2 p.m. today will be able to provide three minutes of comments; comments received at publiccomment@seatacwa.gov before 2 p.m. today will be mentioned by name and subject and then posted to the City's website.

PUBLIC COMMENTS: None

ANY OUTSTANDING ISSUES

City Manager Cole stated the only outstanding issues is the referral back to the Hotel/Motel Tax Advisory Committee (HMAC), which hasn't been resolved yet.

CED Director Maxim provided an update on the HMAC funding recommendations from the October 10 Budget Workshop 3 Council direction.

DM Kwon arrived at this point in the meeting.

The HMAC met October 13. The committee decided to hold a special meeting near the end of October to discuss the referral. The SSRTA Oversight agenda bill will be presented to the City Council on November 27, 2020.

Discussion ensued regarding oversight and SSRTA vs. Hotel/Motel Tax Budget.

SPECIAL REVENUE FUNDS

Port ILA Fund #105

City Manager Cole reviewed the fund summary with an estimated ending fund balance of \$7,662,961.

Building Management Fund #108

PCPS Director Ellis and Ms. Pilo reviewed the fund summary with an estimated ending fund balance of \$3,455,914. This fund is for the second floor of City Hall.

Discussion ensued regarding expenditures for 2021-2022.

Affordable Housing Fund #112

PCPS Director Ellis reviewed the fund summary with an estimated ending fund balance of \$186,600. This is a new fund related to House Bill (HB) 1406 to retain a portion of sales tax and use the money for rental assistant to tenants who are at or below 60% of the median income for KC.

Discussion ensued regarding use of these funds and how the funds will be administered.

DEBT SERVICE FUNDS
SCORE Bond Fund #207

Finance & Systems Director Pilo reviewed the fund summary with an estimated ending fund balance of \$273,488.

GENERAL FUND FINANCIAL FORECAST

Budget Analyst Alexis Briggs stated the 2020 estimates have been updated and the 2021-2022 budget includes property tax levy of \$17.4 million. Decision cards are not included.

The 2021-2022 Budget assumptions include: Revenues – property tax increase in assessed valuation and sales tax moderate increases in future years; and Expenditures – steady increase in personnel expenses, supplies and services.

The ending fund balance is projected to decrease through 2028.

Council discussion ensued regarding new construction anticipation and forecast.

DECISION CARDS

City Manager Cole stated he is only recommending decision cards which are critical or an opportunity loss if not funded. He recommended holding off on the other decision cards until after the first of the year.

Ms. Pilo reviewed the decision cards summary by fund and category.

Staff reviewed each high priority General Fund (GF) decision card and responded to questions from the Council. Council provided consensus on each one.

General Fund (GF):

Department	Description	2021-2022 Expenses		Council consensus
		Total	Ongoing	
Category 1 – High				
Finance	Microsoft Office 360	\$72,000	\$27,000	Fund
Finance	Windows Server Datacenter/SQL Server (split with 301)	\$11,272	\$11,272	Fund
Finance	ArcGIS Enterprise Licensing Agreement	\$44,800	\$44,800	Fund
CED	Permit Database Upgrade	\$363,000		Fund
CED	Economic Development Programs	\$161,574	\$161,574	Fund
Police	Community Engagement Officer	\$230,799	\$230,799	Fund
Fire	Emergency Management Position Full time	\$83,271	\$83,271	Fund

City Manager Cole did not recommend the remaining GF decision cards be funded at this time, as well as the Street Fund #102 decision cards. Council concurred to review these decision cards after the first quarter of 2021.

Staff reviewed each high priority Municipal CIP Fund #301 decision card and responded to questions from the Council. Council provided consensus on each one.

Municipal CIP Fund #301:

Department	Description	2021-2022 Expenses		Council consensus
		Total	Ongoing	
Category 1 – High				
Finance	Windows Server Datacenter/SQL Server (split with GF)	\$7,312		Fund
PCPS	Safety Security – City Wide Facilities	\$40,000	\$40,000	Fund
PCPS	Matching Grant Funds – WSDOT Property (2021)	\$500,000		Fund
PCPS	Matching Grant Funds – WSDOT Property (2022)	\$1,255,000		Fund

City Manager Cole did not recommend the remaining Municipal CIP Fund #301 decision cards be funded at this time, as well as the SWE Fund #404 decision cards. Council concurred to review these decision cards after the first quarter of 2021.

BUDGET RELATED AGENDA BILLS

Ms. Pilo reviewed the upcoming budget related agenda bills:

- November 10, 2020: 2021 Property Tax Levy Public Hearing, 2021 Property Tax Levy Ordinance, 2021 Fee Schedule Resolution, Financial Policy Resolution
- November 24, 2020: 2021-2022 Budget Ordinance

Council discussion ensued regarding Human Services funding, and decision cards not recommended at this time.

IDENTIFY AND CONFIRM ITEMS FOR ADDITIONAL REVIEW/ANALYSIS

Council concurred to cancel the remaining three budget workshops.

EXECUTIVE SESSION: None

ADJOURNED:

MAYOR SITTERLEY ADJOURNED THE BUDGET WORKSHOP OF THE SEATAC CITY COUNCIL AT 6:04 P.M.