

City of SeaTac

Macro Budget Workshop Minutes Synopsis

Virtual Meeting

May 16, 2022 (Monday)
4:00 PM

Virtual Meeting

CALL TO ORDER: Mayor Simpson called the SeaTac City Council Macro Budget Workshop to order at 4:00 p.m.

COUNCIL PRESENT (remotely): Mayor Jake Simpson, Councilmembers (CM) Peter Kwon, Mohamed Egal (*arrived at 4:05 p.m.*), Iris Guzmán and Erin Sitterley. **Absent:** Deputy Mayor (DM) Senayet Negusse and Takele Gobena.

STAFF PRESENT (remotely): City Manager Carl Cole, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Information Systems (IS) Manager Bart Perman, Finance & Systems Director Gwen Pilo, Deputy City Manager Gwen Voelpel, Government Relations & Communications Manager Kyle Moore, Senior Management Analyst Brion Humenay, Parks, Community Programs & Services (PCPS) Director Lawrence Ellis, Community & Economic Development (CED) Director Evan Maxim,

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.
- B. Public comment opportunities to commenters who signed-up or provided written comments prior to 2 p.m.

PUBLIC COMMENTS:

Written Public Comments – City Clerk to read

- KABannon – thoughts on the next biennial budget

Welcome

City Manager Cole our opportunity to hear what the Council wants.

CM Egal arrived at this point in the meeting.

2021 Year End Review

Finance & Systems Director Pilo reviewed revenues and expenditures for three fund categories: General Fund (GF), Transportation Funds, and All Other Funds. She commented on the following: revenues performed well, GF expenditures met the financial policy goal of spending less than 5% budgeted, these savings were mostly from unfilled positions or delayed projects due to Covid.

The ending fund balance exceeded expectations. The ending fund balance for the previous year is used as the beginning fund balance for the next year. The 2022 ending fund balance projection is \$98,520,699.

The City has a four-month policy reserve in the GF for emergencies - \$14.6 million. We have excess reserves above the four-month reserve of \$12.9 million.

She reviewed the GF Revenue Structure and GF Major Revenue Drivers.

General Fund Financial Forecast

Finance & Systems Director Pilo stated this is an attempt to predict the future based on historical data and other information and forecasts. These forecasts are used to determine if course corrections are needed to alter future results. She reviewed the assumptions used in the forecast.

Using the assumptions, 2027 is when staff estimates the fund balance being depleted. Without making course corrections, staff projects depleting excess reserves in 2024, and deplete reserves in 2026, and operate in a negative balance in 2027/2028. These forecasts allow us to react while we have a chance.

Council discussion ensued regarding the forecasts and assumptions and property tax.

Financial Policies

Finance & Systems Director Pilo reviewed the proposed changes stated there were no major changes.

City Vision, Mission, and Goals

City Manager Cole reviewed current vision, mission, and goals which are reviewed every two years.

BREAK: Mayor Simpson recessed the meeting at 4:46 p.m. until 4:51 p.m. (5 minutes)

Council Priorities/Goals

City Manager Cole stated the current vision and goals do not match with the Comprehensive Plan (CP). A major update to the CP is required in 2024 which will provide an opportunity to adjust the vision, mission, and goals. Desired state is that all city budget practices align with the CP.

Council discussion ensued regarding the vision. Staff is recommending using the CP vision for the next budget cycle.

City Manager Cole stated he feels the current goals work, however, they need to reflect the values the Council wants. He requested Council provide feedback on the City's goals to him by June 17.

He reviewed a new subject, Budgeting for Well-Being. The Government Finance Officers Association (GFOA) has recommended this approach:

- Incorporates several metrics of public well-being including education, income, health, etc.
- Municipal budget decisions should be made with the goal of improving the well-being of people in a manner that improves the well-being of everyone

Council discussion ensued regarding diversity, equity, and Budgeting for Well-Being.

Priority Based Budgeting

Finance & Systems Director Pilo reviewed what Priority Based Budgeting is, what the City has already done, and next steps.

Priority Based Budgeting:

- Strategic approach to budgeting
- Government identifies its most important strategic priorities
- Collaborative process ranks programs or services according to how well they align with the priorities
- Allocates funding in accordance with the ranking

Council discussion ensued regarding this approach.

Performance Indicators

City Manager Cole highlighted a few performance indicators.

Council discussion ensued regarding potholes, goals for police contacts, traffic tickets, and average response time.

Budget Calendar

Finance & Systems Director Pilo reviewed the calendar which begins October 1 and ends with budget adoption before December 31.

City Manager Cole stated this is the Council's budget. Staff needs to know what Council feels is missing so the budget moves in the right direction.

CM Kwon encouraged everyone to attend budget trainings, including AWC Budget Basics.

Council thanked staff for these presentations and discussions.

EXECUTIVE SESSION: None

ADJOURNED:
MAYOR SIMPSON ADJOURNED THE MEETING AT 5:51 P.M.