



## AGENDA

### Finance Committee Regular Meeting

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8:00 AM - Thursday, October 11, 2018

City Hall Executive Briefing Room - Plaza 111, Sammamish, WA

Page

Estimated  
Time

#### CALL TO ORDER

8:00 am

#### PUBLIC COMMENT ON COMMITTEE AGENDA ITEMS

#### APPROVAL OF THE MINUTES

The draft minutes have been reviewed and approved by the Chair prior to inclusion in the July 9, 2018 City Council Special Meeting packet under "Council Reports / Council Committee Reports". They are now being presented for full Finance Committee review and approval.

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1. May 11, 2018 Special Meeting  
[View Minutes](#)

#### FINANCIAL INFORMATION REVIEW

2. Review highlights of 2018 Financial Management Reports
3. Review Council direction received following review of Interim CM's Draft preliminary 2019-20 budget at September 25th Council Budget workshop.
  1. Committee Recommendation(s):
    - a. Review referenced 2.43% COLA factor methodology used in recent City history and provide recommendation to City Council (if desired).
    - b. General Fund 10% strategic reserve
    - c. Other Committee Recommendation?

#### REVIEW FUTURE MEETING TOPICS

(listed as future considerations at 9/25/18 Council Special Meeting)

4. Classification & Compensation Study - Contractor Equity/Market Average or Other Standard for Total Compensation
5. Citizen Survey Results - (delayed due to vacant Communications Manager position)
6. Master Capital Project List/Waterline Discussion in 2019
  1. Parks CIP, TIP, Capital Facilities Plan, IT capital plan

## **ADJOURNMENT**

**9:30 am**

### **Public Comment Guidelines:**

This is an opportunity for the public to address the Committee. Three (3) minutes are granted per person, or five (5) minutes if representing the official position of a recognized community organization.

If you are submitting written material, please supply a minimum of seven (7) copies (three (3) for the Committee; three (3) for Staff; one (1) for the record). If you would like to show a video or give a presentation, please contact Tammy Mueller ([tmueller@sammamish.us](mailto:tmueller@sammamish.us); 425-295-0514) to determine whether the meeting room is equipped to accommodate your needs. Digital files must be submitted or emailed by 5:00pm the day prior to the meeting to Tammy Mueller.

Please be aware that all materials submitted will become part of the public record.

### **Meeting Accessibility:**

Committee meetings are wheelchair accessible. American Sign Language (ASL) interpretation is available upon request. Assisted Listening Devices are also available upon request. Please call (425) 295-0500 at least 48-hours in advance to request assistance.

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## MINUTES

### Finance Committee Special Meeting

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**8:00 AM - May 11, 2018**

City Hall Executive Briefing Room - Plaza 111, Sammamish, WA

**Committee Members Present:** Councilmember Chris Ross  
Councilmember Jason Ritchie  
Councilmember Pam Stuart

**Committee Members Absent:**

**Staff Present:** City Manager Lyman Howard  
Director of Finance & Risk Management; Assistant City Manager Aaron Antin  
Deputy Director of Finance & IT Chris Gianini  
Director of Public Works Steve Leniszewski  
Deputy Director of Public Works Cheryl Paston  
Director of Organizational Development Glenn Akramoff  
Administrative Assistant Tammy Mueller

#### **CALL TO ORDER**

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Finance Committee Chair, Councilmember Chris Ross called the Finance Committee meeting to order at 8:00 a.m.

#### **REVIEW OF THE AGENDA**

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The Committee reviewed the agenda and discussed how best to review all topics in the meeting's scheduled time.

#### **PUBLIC COMMENT**

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**Paul Stickney**, 504 228th Ave SE, requested that the Finance Committee consider adding a line item for internal housing balance to achieve holistic sustainability for the Sammamish community. He provided handouts to the Committee (available upon request to the City Clerk, [manderson@sammamish.us](mailto:manderson@sammamish.us)).

#### **APPROVAL OF THE MINUTES**

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March 23, 2018 Regular Meeting

**MOTION: Councilmember Pam Stuart moved to approve the minutes as distributed. Councilmember Jason Ritchie seconded. Motion carried unanimously 3-0.**

**Draft****TOPICS**

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**Financial Report Review:**

1. 1st Quarter, 2018 Financial Management Report
  - a. The Committee reviewed the [Quarter 1 2018 Financial Management Report](#).
  - b. Some highlights of the discussion revolved around the softness in development related revenue such as impact fees, building permits, and plan check fees. These are areas to watch as the City proceeds through 2018. Based on the budget expectations, which were built prior to the City Council's putting a moratorium in place, development related revenues are indeed trending lower and are related to pipe-line projects moving through. There is \$6.985 million budgeted in 2018 from transportation and parks impact fee funding alone, and another \$2.15 million in building permit and building plan check revenue with just under \$1.5 million total received through the 1st Quarter of 2018 for these same 4 revenue line items. While the Committee was not suggesting to lift the moratorium to raise revenue, they did want to continue to track the financial implications related to development revenues.
2. Transportation and Parks Impact Fee Deposits 2017 Annual Report
  - a. Staff provided the Committee with a presentation on the [2017 Impact Fee Report](#).
  - b. The Committee questioned whether projects would still be impact-fee eligible should the Comprehensive Plan not be amended until after July when the six-year transportation capital improvement plan (TIP) is due to the State. Public Works staff responded that only the TIP would need to be adopted to meet the State's requirement that is primarily related to eligibility for grant funding and that the TIP should include impact fee eligible projects, but if Council alters project eligibility it is also possible that Council could adopt a new TIP after the July deadline to the State.
  - c. The Committee questioned when the next impact fee rate study would be conducted. Staff informed the Committee that it would be conducted when the level of service is decided by the City Council. The Committee stated that, should a new concurrency model identify additional deficiencies, those projects, or a share of them, may not be impact fee eligible at the time the study is performed, which would have the effect of altering the cost share current residents would pay for transportation capital improvement projects vs. the cost share paid by future residents.
  - d. Staff informed the Committee that projects can only utilize impact fee funds for the time period in which they are on the TIP. Page 4 of the [2017 Impact Fee Report](#) shows which projects are eligible to utilize the 2017 transportation impact fees and at what percentage given when they were placed on the TIP. Staff further informed that State law requires funds to be spent or encumbered on designated projects within 10 years. If they are not, the funds must be returned.
  - e. The Committee asked whether the Americans with Disabilities Act (ADA) related projects for parks could be paid for with park impact fees. Staff responded that those improvements are not related to capacity growth but rather a separate federal mandate, so would not be part of the project cost that is eligible to be paid from impact fee funding.

**Financial Policies Review:**

1. Review/Recommend changes to 2017-2018 Budget Financial Policies
  - a. The [Financial Policies](#) included in the 2017-2018 Budget document were reviewed and discussed by the Committee.
  - b. Specific discussion on the City's financial reserve policy for general fund operations occurred. To answer the question of 'is 10% the right percentage', it is important to

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understand what condition would necessitate the reserve. As Sammamish's revenue is primarily property tax-based, it is stable but does not grow compared with cities which rely on sales tax that is much more volatile and subject to economic swings. Given this more stable profile, there is not as great a need for revenue protection related to volatility in sales tax receipts. The Committee then discussed the projected funds that have been lost due to the banking of the 1% property tax increases for the past nine years and how much could potentially be gained by utilizing it.

- i. Councilmembers are currently considering whether the City is meeting the level of service that tax payers expect. Expectations for service have changed substantially over the past eight years as Sammamish has grown and service expectations have grown as well.
  - ii. The Committee briefly weighed which would provide the best level of service: increasing property tax to generate revenue to help fund infrastructure improvements which residents indicate they want or not increasing property tax to save residents money.
  - iii. The Committee mentioned that if certain City services are not meeting an expected level of service, the Council should consider whether it would be better to fund that service to the level necessary to meet expected levels of service or to eliminate the service.
- c. The Committee discussed injecting economic development into the Comprehensive Plan as a method of increasing revenue rather than raising property taxes. The City Manager stated that this had been a prior staff recommendation but that there was also concern from Council previously about Council's goal of maintaining the bedroom community look and feel vs. fostering economic development.
  - d. Staff briefed the Committee on policy language that is being proposed to be added related to the stormwater utility fund reserves that were part of the rate study performed last year, which would then be planned to be incorporated into the upcoming 2019-2020 budget document.

#### **Transportation Improvement Plan (TIP) Update**

1. Public Works Dept. to present TIP status; Draft TIP to full Council June 12
  - a. Public Works Director Leniszewski introduced the topic and provided the Committee a handout on the [Draft 2019-2024 Concurrency Projects](#) which was reviewed and discussed.
  - b. The Committee requested that the list be prioritized by linkage to future projects once it is determined in the Transportation Master Plan (TMP) or short-term vs. long-term projects. The Committee clarified that grants, if awarded, must be spent on the project they were awarded to, thus this should be taken into account when determining priority.
  - c. Staff clarified that the TIP is a planning tool, and does not authorize funding or adopt appropriations for line items that would be part of City Council's budget ordinance. The TIP also provides general definition of project components and provides early cost estimates and planned timing of when projects are to be done.
  - d. Staff clarified that the only grants that are included in the budget are the ones that have already been awarded or are near certain. The City does not budget on speculative grant funding.
  - e. The Committee requested a bar chart showing the amount of total funding that is coming from grants for each grant funded capital projects.

*Councilmember Ritchie, City Manager Howard, Director Leniszewski, and Deputy Director Paston left the meeting.*

**Draft****Report out on Information Technology (IT) Gap Analysis/GIS Assessment**

1. Technology Dept. to present draft reports; report to full Council June 5th.
  - a. Organizational Development Director Akramoff briefed the Committee on the topic.
  - b. The Committee clarified with Staff how GIS could be utilized to better inform on topics such as stormwater, potentially even pinpointing areas where future attention will be needed. It is also an opportunity for the City to have its own data and be less reliant on data from developers as well as inform current and future staffing needs in response to increasing or decreasing projects and development. It could also allow for more insight into concurrency.
  - c. Staff informed the Committee that a hardware replacement plan will be developed and proposed in 2019. The City has not previously had one. Software integration is also a focus area of the City.
  - d. Staff recommended that the next budget cycle include a formal technology strategic plan.
  - e. The Committee requested that, to increase transparency, agenda bills be written with acronyms spelled out the first time they are used. They also requested that a summary be provided of the six main areas of the GIS report and presentation to better inform the Council.

**Council Health Insurance**

1. The Committee had a brief discussion on the status of the Council health insurance, proposing to add it as a future meeting topic. The Committee decided to continue the current process of having individual Councilmembers provide their inputs on this topic when they meet with the City Manager on the upcoming budget process. The issue was not scheduled as a future meeting topic of the Finance Committee at this time.

**FUTURE MEETING TOPICS**

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Classification & Compensation Study – Contractor Equity/Market Average or Other Standard for Total Compensation (3Q 18)

Revenue & Expense per capita comparisons – further detailed inquiry (Retreat Follow-Up) (TBD)

Quarterly FMR reviews (ongoing throughout 2018)

Presentation of Municipal Financing – Intern project (TBD)

Public Outreach discussion ahead of November public hearings on 2019-2020 budget (TBD)

Master Capital Project List/Waterline Discussion (Retreat Follow-Up) (TBD)

1. Parks CIP, TIP, Capital Facilities Plan, IT capital plan

**NEXT MEETING DATE(S)**

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June 8, 2018 from 8:00 - 9:30 a.m.

Agenda items: Fire Station Building Analysis, Maintenance Building Analysis and follow-up on Facility Capital Project list.

Discuss future committee meeting dates

1. The Committee requested staff to coordinate if July 12, 2018 and October 11, 2018 from 8:00 - 9:30 a.m. would work for next meeting dates.

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**ADJOURNMENT**

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**MOTION: Councilmember Chris Ross moved to adjourn. Councilmember Pam Stuart Seconded. Motion carried unanimously 2-0 with Councilmember Jason Ritchie absent.**

The meeting adjourned at 9:37 a.m.