



11930 Cyrus Way, Mukilteo Washington 98275

City Council Finance Committee
Committee Meeting No. 2015-3
March 30, 2015
8:00 – 9:00 p.m.

Agenda Minutes

Meeting Objectives:

1. Discussion of using REET I only for 92.7% of debt service payments on 2009 bonds and REET II for 7.3% of debt service payments and capital projects.
2. Discussion of six-year summary of potential REET II capital projects and associated funding.
3. Potential budget amendments for May 18, 2015 City Council meeting

Meeting Minutes:

1. In attendance: Mayor Gregerson; Councilmembers Schmalz, Champion, and Lord; Chris Phillips; Scott Morgan; and Andrea Swisstack in lieu of Rob McGaughey.
2. REET Discussion –
 - Committee members and those present discussed restrictions pursuant to state law on the use of REET I and II revenues;
 - A memo titled “REET I/II Projections” was presented to the Committee that included financial projections for both REET I and four scenarios for REET II.
 - Scott Morgan discussed the REET I projection that reflects expenditures only for debt service and the goal of extending the ability of REET I to be the principal source of debt service payments in lieu of the General Fund as the alternate source;
 - The above memo included separate worksheets for REET revenue history and allocation of debt service costs between REET I and II;
 - The above memo also included four six-year scenarios for REET II revenues, expenditures and ending fund balance that was discussed by the Mayor and Andrea. The four scenarios were:
 - A. Minimize investments to keep fund solvent
 - B. Continuing current investment in pavement, bike, and traffic calming
 - C. A third scenario to include future grant applications

D. A fourth scenario to include future grant applications and alternative funding source for transportation

- The Mayor requested the Committee members to provide feedback on the four scenarios and potentially other scenarios as well.

3. Potential Budget Amendments -

- A memo titled "Potential Budget Amendments for May 18, 2015" was presented to the Committee; specific items were not discussed in detail.
- Committee's concern was how are these additional spending items, primarily in the General Fund, going to be paid for? The Mayor and staff will be discussing that at the next Committee meeting.

4. The Committee also discussed the need to prioritize the various tasks that the Committee has previously identified. Mr. Champion indicated there were approximately 20 items.

Committee adjourned to the next meeting on Tuesday May 5th @ 6 pm.