



11930 Cyrus Way, Mukilteo Washington 98275

City Council Finance & IT Committee
Committee Meeting No. 2016-2
Mukilteo City Hall
Tuesday February 2, 2016

Meeting Minutes:

1. A discussion was had about starting the new year with appointing a new chair for the Finance & IT Committee (FIT). Council President Champion nominated Councilmember Lord as the new Chair for the FIT Committee and Councilmember Lord accepted.
2. Councilmember Lord led a discussion on required services of the city and the funding needed to provide those services. The committee came up with "Level of Service Analysis" to help with prioritizing during the budget process. The committee started to define the process as follows:

Level of Service Analysis

Goal: Develop a financial model of a base line level of service to shape sustainable budgets.

Step 1: Identify the minimal operating requirements for the city

- 1. Budget by Department (April 5th)*
 - a. Regulatory*
 - b. Contractual – non-labor*
 - c. Contractual - labor*
 - d. Other Labor*
 - e. Other*
- 2. Identify the minimal operating requirements for each department*
- 3. Perform financial analysis to identify MOP for the city*
- 4. Share and review with Council*

Councilmember Lord will be developing a Gantt chart to show steps and timeline for the process. Finance Director Volesky shared his concern of workload and provided the committee a list of current duties of the accounting division. The committee asked that Volesky prioritize the list. Further discussions will follow.

3. Finance Director Volesky gave an update on the 2014 audit. The audit will begin on Monday, February 8th. Volesky reminded the committee that there will be an entrance conference at 4:00 p.m. on February 3, 2016 at City Hall's Council Chambers.

4. Volesky also shared with the committee a revenue spreadsheet that will be shared with the Council. This spreadsheet will be updated monthly and will provide detailed information and history for all revenue sources. Committee members approved. Council President Champion asked the committee about other metrics that should be captured such as vacant positions.
5. Council President Champion discussed the Long Range Finance Committee (LRF) and how it will work with the FIT Committee. The decision was made to come up with an agenda for LRF during the March FIT Committee meeting and invite the LRF Committee to the April FIT meeting.
6. Volesky proposed that the City move forward with advance refunding (refinancing) of the 2009 LTGO Bonds. Volesky stated that with the current rates the city could potentially save over \$500K (with a rate of 2.05%) over the remaining life of the bonds which expire in 2029. He discussed the advantages and disadvantages including the \$80K+ cost for fees and underwriting. The underwriter for the bonds was originally completed by D. A. Davidson. Volesky suggested that we work with them again following the City's procurement policy. The Committee agreed, if we can secure a rate of 2% or less, and asked that the Finance Director move forward with the advance refunding for Council approval, with their recommendation to proceed.

Next Meeting: March 1, 2016, 6:30pm at City Hall

Agenda:

1. RAIL
2. Contract Approval Process Discussion
3. 2015 Financial Update
4. 2014 Audit Update
5. Review Level of Service Analysis
6. Develop Long Range Finance Agenda for April
7. Other
8. Set April's Agenda