



11930 Cyrus Way, Mukilteo Washington 98275

City Council Finance & IT Committee
Committee Meeting No. 2016-3
Mukilteo City Hall
Tuesday March 1, 2016

Meeting Minutes:

1. The committee reviewed and updated the Rolling Action Item List (RAIL).
 - a. The process for 2016 budget amendments was discussed. Finance Director Volesky stated that the city would be doing two budget amendments, one in June and a final one at the end of the year. Councilmember Schmalz noted that he did not want any surprises this year and the Mayor Gregerson assured the committee that they would be informed of all amendments before submitted.
 - b. Concern was raised over the costs of employee health benefits. The Mayor noted that AWC will no longer offer the City's current health plan after 2018. Council President Champion stated that a plan needs to be selected well ahead of time to prepare for these rising costs. HR and city staff will be considering options this year.
 - c. There was a discussion on contract approval limits and if funding is previously approved by Council, do they need to also approve the contracts under a certain dollar limit. The Mayor stated that sometimes the timing can be problematic for city staff to move forward on previously approved projects. Council President Champion suggested looking at other comparable cities' policies on this issue.
 - d. The Committee closed out the following items:
 - i. 15) Discuss policy on previously approved capital projects that are carried forward into future budget years
 - ii. 17) Should a separate Park Fund be established to account for parking revenues?
 - iii. 18) Annual review of LTGO to assess Refunded/Refinance options and opportunities.
2. Financial reporting was discussed. Volesky presented a draft financial reporting format for year-end reporting. Councilmember Lord voiced his concern about being able to see reports that show "warnings" of variances from expected revenues and expenditure projections. Volesky will work on different formatting options and will work with the IT Manager on setting up a mechanism where shared financial documents can be posted for Councilmembers' use.

3. Councilmember Lord presented his Tentative Financial Planning for 2016 flow chart. The Mayor presented the city's draft detailed budget calendar which builds and expands on Councilmember Lord's flow chart.
4. Volesky gave an update on the city's 2014 Financial Audit. He reported that so far things are going well and he has not heard of any major concerns. The auditors are planning on wrapping up their site visit on March 14th.
5. Councilmember Lord continued his discussion on the Level of Service Analysis. Lord wants to identify what services the city is required to provide by statute and by policy. The Mayor stated that the city has legal obligations to provide a police chief, a city clerk and legal counsel, but nothing more.
 - a. Lord expressed the questions he finds most important:
 - i. What is the minimum level of service by department?
 - ii. Where are we now?
 1. What is the 2016 baseline?
 2. What is discretionary?
 - iii. Where do we want to be and how do we pay for it?

The Mayor and Policy Analyst Liias will work on gathering this information for the a future committee meeting.
6. Councilmember Lord informed the committee that he contacted the members of the Long Range Financial Planning Committee and invited them to the April 5th Finance & IT Committee. One member will be out of town but the other two are planning on attending. They will be observing the meeting and discussions.

Next Meeting: April 5, 2016, 6:30pm at City Hall

Agenda: TBD.