



11930 Cyrus Way, Mukilteo Washington 98275

City Council Finance & IT Committee
Committee Meeting No. 2016-7
Mukilteo City Hall
Tuesday July 12, 2016

Meeting Minutes:

In attendance were Mayor Jennifer Gregerson, Council President Bob Champion, Councilmembers Steve Schmalz and Richard Emery, Long Range Finance Committee member Anna Rohrbough, Management Services Director Chris Phillips, Fire Chief Chris Alexander, IT Systems Administrator Mary Thomas, and Finance Director Doug Volesky.

1. Fire Chief Chris Alexander gave a status report on the Mukilteo ILA with Fire District 1. The proposal from FD1 is to cover a portion of the capital replacement cost of the vehicle, amortized over fifteen years, a Battalion Chief, and management and administration fees for a total of \$113,557.40. Councilmember Emery asked how much of this cost is currently in the 2016 budget and Chief Alexander responded that none of this is currently in the 2016 budget. Chief Alexander stated that he would have more solid numbers in October to include in the 2017 budget.
2. IT Systems Administrator Mary Thomas gave an overview on the Information Technology Multi Year Enhancement Plan. There was further discussion on backup plans and cyber security. Thomas also discussed the Telephony Plan and the plan for the future Financial Software Project that would eventually replace the city's current Eden Financial System.
3. Management Services Director Chris Phillips led a discussion on the new prosecutor contract. Phillips informed the committee that the city's prosecutor has proposed a rate increase from \$5,570 to \$7,500 per month starting July 1, 2016. The City has responded by requesting that the starting date to September 1, 2016. Phillips stated that this rate has not increased for several years and that it appears that the City is receiving a discounted rate. The rate then would increase to \$8,000 per month on January 1, 2017 and a 3% increase in years 2018 and 2019. President Champion asked Phillips to followup on what this contract equates to as an hourly rate, how long we have had this contract and when the last rate increase was. MSD Phillips also informed the committee that there would be a budget amendment for the impact of this contract for 2016.

4. Finance Director Doug Volesky informed the committee that the City was still on track with the 2017 Budget Process Timeline. Volesky stated that work was currently being done with revenue projections, Facility Renewal and Equipment Replacement NBI's, which will be presented at the August 9th Committee meeting, and that department flex sheets are being developed.
5. Work Session 6/27 – Recap.
 - a. Council Priorities for 2017 Budget (AB16-71)
 - Volesky informed the committee that his takeaway on this subject was that the Council stated three main priorities which included:
 - i. Public Safety
 - ii. Infrastructure/Transportation
 - iii. IT
 - President Champion and Councilmember Schmalz had a discussion on making sure all budget items that have come up in each Committee are being addressed. President Champion stated that he would request that committee chairs report back on any proposed new budget items that are desired. Councilmember Emery suggested that the Council and City entertain adding a budget item in 2017 for contingency.
 - b. Long Range Financial Plan Update (AB16-72)
 - Volesky stated that there is a meeting scheduled on August 23, 2016 for the Long-Range Finance Committee. This meeting is intended to go through the previous Long-Range Financial Plan and determine which sections should be kept for the new plan. Committee member Anna Rohrbough commented that the other citizen committee members were going to try to get together prior to this meeting for their review and suggestions.
6. Finance Director Volesky reported on the second quarter financial statements. He presented the Fund Status Report which shows the actual revenue and expenditures amounts by fund as compared to budgeted numbers as well as the 2016 Monthly Revenue Summary. Volesky noted that the City was working with the Mukilteo Water District on reconciling Surface Water Management revenues to make sure revenues are being received correctly. He also noted the large increase in REET revenue due to major sales in Mukilteo this year. The City has already received the full budgeted amount for REET, at this point in the year.

The meeting adjourned at 8:10 PM.

Next Meeting: August 9, 2016, 6:30pm at City Hall

Agenda:

1. Review 2017 Budget Process Timeline Document
2. Review Draft Facility Renewal & Equipment Replacement NBI's
3. Discussion Topics:
 - a. Snohomish Health District
 - b. Public Safety Levy (0.02%)
 - c. Transportation Funding
4. RAIL Update
5. Set September's Agenda