



11930 Cyrus Way, Mukilteo Washington 98275

City Council Finance Committee
Committee Meeting No. 2015-5
Tuesday September 1, 2015

Meeting Minutes:

1. 2016 Budget Process Update
Dr. Sinclair shared an update on status of staff efforts for 2016 budget development.
2. Council Budget Priorities Discussion in prep for 9/14 Worksession
The committee discussed the plan for the work session. Councilmember Lord discussed the importance of investing in pavement preservation at the \$900,000 level. His list of priorities includes: surface water management, road maintenance, fire salaries, executive salaries, Japanese Gulch master plan implementation, Senior Center, sidewalks, waterfront parks, lighthouse park phases, facility renewal, fire improvements. He is concerned about other jurisdiction's plans for taxes. Councilmember Schmalz discussed the issue that the 1% property tax increase only leads to about \$40k in revenue. Councilmember Lord shared concepts for reductions in services, including cutting the investment in studying bike and pedestrian paths. Councilmember Schmalz believes public safety and roads are the highest priorities. He brought up the Citygate study costs and questioned whether we can do all of those items. Councilmember Lord expressed a desire to have a spreadsheet showing total numbers of items for the 9/14 work session. The committee discussed the surface water requirements and NPDES compliance issues. Councilmember Schmalz and Champion discussed looking at the 85% of the budget which is salaries and benefits and the understanding that the sliver left is what's left for other services and initiatives. Councilmember Lord believes we need to define the minimum required to accommodate legal requirements- the barebones. Councilmember Schmalz discussed his concerns with the gas taxes, potential school district future levies or bonds, surface water rates, and his perception that there is a need for property tax increases from the city.

For the 9/14 meeting, Mayor Gregerson and Dr. Sinclair agreed to provide the list of services that are required by the state that they city provides. Councilmember Lord will work to generate a list of priorities for discussion on the 9/14 Worksession by Friday the 4th to meet the deadline for council agenda development.

Discussion of priorities included:

- Implementation of the Japanese Gulch master plan
 - Senior Center
 - Trails, etc
 - Costs for a potential parking garage
 - Surface water
 - Facility renewal
 - Lighthouse Park future phases
 - Road maintenance
3. Extended Agenda Review of items that require council spend authorization
Mayor Gregerson presented upcoming items and the committee discussed them.
 4. Employee Benefits Discussion
The committee discussed health plan options for future years, and the fundamental requirements of collective bargaining agreements.
 5. Committee's role reviewing co-sponsorship grants
Councilmembers Lord and Champion agree to work on this issue, and were not ready to bring forward any results yet.
 6. Finance Director Search Update
 7. The Committee discussed next steps with the Long Range Financial Planning Committee. Mayor Gregerson will reach out to the committee to let them know our continued commitment to them, but that we aren't ready to bring the group together again yet.
 8. The Committee discussed adding a meeting on 10/26 to discuss the budget.

Next Meeting: October 6, 2015, 6:30pm at City Hall