



City of Mukilteo
Long Range Financial Planning Meeting Minutes
August 23, 2016

Meeting called to order at 6:35pm.

Attendees:

Long-Range Financial Committee Members: Dan Gray, Tony Markey & Anna Rohrbough
Finance Committee Members: Council President Champion & Councilmember Steve Schmalz (arrived at 6:53 pm) and Mayor Gregerson.

The group discussed the need for forecasting five or ten years of revenues and expenditures. Time Horizon: group notionally discussed event horizons / 5 year plan, will build plan from baseline budget and major activities (i.e. Roads/BTW/Waterfront/WSF/JG/Parking) - A/I project list. Frequency: discussed updating the long-term planning activities as needed in order to provide direction to the budget process. Notional thinking was a minimum of every election cycle.

Tony pointed out that he believed forecasting should focus more on revenue source rather than fund, and that it is a mistake to focus only on the general fund. Forecasting should focus on all revenue sources.

Historical analysis is part of that need for forecasting, but other data and assumptions need to be made, as well.

CP Champion proposed that the most important questions include: what do we need to do to analyze current financial position; what is our timeline; what are outside events or issues that could impact this position (such as major developments like the WSF project).

Scope: discussed elements of the plan and that the plan should consider all appropriated funds, especially those funds that are used to account for the issues of top concern to elected officials and the community.

Anna pointed out that a clear forecast will help guide Council for choices that could deviate or impact the plan.

The group discussed potential their involvement in capital, equipment and vehicle replacement plans, and agreed that it should be included but that efforts were underway to do that assessment by city staff.



The group discussed ensuring that operations and maintenance costs should be considered in capital projects, and that a clear policy could be developed by this committee and adopted by Council. This policy would reflect current direction but could be better defined by LRFP.

Content: discussed the elements of the plan. plan should include:

- revenue and expenditure historical / present / forecast (focus of the discussion)
A/I - actuals data distribution (complete 8.24)
- debt position and affordability analysis / not there yet
- plan monitoring (existing policy / scorecard?) / open

The concept of setting aside dollars for ongoing programs was also discussed as an important policy.

There was discussion about excess revenues in the REET fund and the potential of establishing a policy for those revenues.

Strategy: general discussion / Need to think about and discuss strategies for achieving and maintaining financial balance & macro analysis of the financial environment. / not there yet.

Discussion turned towards the use of reserves and the appropriate amount of reserves. A lively discussion ensued about policy of reserve level that could drive towards a strategy of actions to take next.

Next Steps: Action Items

- The committee would like to see all revenues (not by fund), similar to page 4 of the 2016 budget, since at least 2011, but would prefer back to 2006 when it's ready.
- Same information is needed for expenditures.
- List of upcoming large projects, such as waterfront redevelopment plan and the Japanese Gulch master plan.