

**CITY OF OLYMPIA
FINANCE COMMITTEE
MINUTES
March 10, 2009**

Members Present: Joan Machlis, Craig Ottavelli and Joe Hyer, Chair

The minutes of February 10, 2009 were approved.

Review of Waste Resource Budget

Dan Daniels gave an overview of the Waste Resources Utility budget including work efforts, outcomes and key measures. The Committee focused on the fund balance (10% reserve) and the drop box program. The Committee will discuss recommendations with the Council after reviewing all utilities, along with other programs.

Review of Urban Forestry Program

Steve Friddle and Stacey Ray with Community Planning and Development gave an overview of the urban forestry program and funding. Committee member Machlis asked why this program was not part of the Parks department. Steve explained the Tree Preservation and Protection ordinances were adopted and continue to be monitored through land use, permitting and inspection services. However, tree maintenance typically falls to the Parks Department. The committee will relook at this program in May before making a recommendation to the full council.

Funding for City Initiatives

At a previous meeting, the Council referred the funding of some of the City initiatives to the Finance Committee for review. Subir Mukerjee, Assistant City Manager, and Linda Oestreich, Parks, Art and Recreation Director, discussed a strategy with the Committee. Currently there is \$195,500 available in the Council goal/emerging issues account. Staff is proposing to use \$17,000 for the stimulus project goal, \$10,000 for the initial stage of the Artspace project, and \$20,000 for the West Olympia Plaza site analysis. Staff discussed funding for the economic redevelopment project. City Manager Steve Hall suggested waiting until the Barney and Worth report comes out later this summer before we move ahead on redevelopment. Committee member Machlis was comfortable waiting on the redevelopment piece but suggested we at least have initial conversations about the scope. Staff made no proposal on the West Bay Trail or the second phase of Artspace. More analysis is needed before a recommendation can be made. If the full Council approves the Committee recommendation, \$148,500 would remain. Staff also proposed using \$80,000 of the Parks (2%) utility tax funding for a dog park.

Transportation Funding Issues

The transportation staff discussed two items with the Committee:

1. Loan application for Harrison Avenue Phase 2
2. Work items for Transportation Impact Fee Follow up

On the Harrison Ave Phase 2 project, there is a \$7.7 million funding gap. Staff is proposing to apply for a Public Works Trust Fund Loan (PWTF). The City will have acquired all of the property by the end of the year and are 60% complete on the design. We anticipate being out to bid in 2010. The 500' gap is NOT included in the phase 2 project. This project includes a \$5 million grant the City is in jeopardy of losing if we cannot demonstrate to the State that we can fund the project. However, Staff believes that by applying for the PWTF loan, we are not eligible to apply for other loans until 2012. The Committee was not comfortable forwarding a recommendation. Committee members requested that staff review the

budget and determine whether there could be cost savings. The Committee also requested additional research on the restrictions regarding multiple grant applications to the PWTF to determine if an application for Harrison Avenue work would preclude funding for other priority projects such as Boulevard Road.

Staff also wanted to check in and make sure they were on the right track with transportation impact fees. Committee Chair Hyer suggested a special meeting of the Finance Committee and staff would meet with stakeholders. The Committee wants to make sure there is an opportunity to brainstorm ideas and get them on the table. Committee member Ottavelli asked if staff had looked at the storm water costs in relation to transportation costs and impact fees. "We need to be able to discuss this and brainstorm ideas with other stakeholders."

2008 Investment Report

Dean Walz, Finance Manager, had distributed the 2008 investment report. The report was approved by the Committee.

The meeting adjourned at 5:55 p.m.