

**Mount Vernon
Finance Committee
Parks & Enrichment Services Committee
Minutes
August 28th, 2019**

Present: Councilmembers Beaton, Brocksmith, Carías, Hulst, Hudson, Moberg, Molenaar

Staff present: Mayor Boudreau, Doug Volesky, Kevin Rogerson, Bill King, and Peter Donovan

Citizens present: 2

- 1) Minutes from the July 24th, 2019 committee meeting were approved.
- 2) 2020 Pre-Budget Discussion by Mayor Boudreau
 - a) Reviewed Discretionary and Non-Discretionary Budget Items
 - b) Reviewed the City Council's 2019 Budget
 - c) Presented the proposed 2020 City Council Budget
 - d) Presented the COLA recommendation of 3%
 - e) Discussed the current projects and concerns for 2020
 - f) Overview of REET 1 and its balance
- 3) Finance Department Update by Finance Director Doug Volesky
 - a) Director Volesky reviewed the City of Mount Vernon's Fiscal Policy
 - i) Review of the goals of the City's existing Fiscal Policy
 - ii) Reviewed the Revenue Policies
 - (1) Policies governing how revenues should be calculated, forecasted, and sufficient enough to cover expenditures.
 - (2) Policies for Grant Revenues and Enterprise Revenues
 - (3) Presented 2020 Budget Suggestions from the MRSC Revenue Guide for WA Cities and Towns
 - iii) Reviewed the Expenditure Policies
 - (1) Cost control, responsible financial management, improving productivity, leveraging technology, documenting employee needs, etc.
 - (2) Personnel Compensation and Equipment Maintenance and Replacement.
 - (3) Indirect Cost Allocation for services to outside sources and between funds.

- iv) Reviewed the City's Reserve Policies
 - (1) The City shall maintain General Fund reserve of 15% or more
 - (a) The City finished 2018 with a General Fund Reserve of 18%.
 - (2) Other Governmental Operating Funds such as Library, Parks & Enrichment, and Streets shall maintain a reserve of 10% or more.
 - (a) The City finished 2018 with a Library reserve of 15%, Parks & Enrichment reserve of 16%, and Streets reserve of 10%.
 - (3) Councilmember Hulst recommended only using reserves for non-operating, one-time expenses.
- v) Review of the City's Debt Management Policies
- b) Mayor Boudreau reviewed House Bill 1406
 - i) The goal of HB 1406 is to encourage investments in affordable and supportive housing.
 - ii) Under HB 1406 there are multiple methods of taxation the City could use to generate funds for this project; however, all of them are considered Qualifying Local Taxes and would require a vote.
 - (1) Affordable Housing Levy (RCW 84.52.105): regular property tax levy of up to fifty cents per thousand dollars of assessed property value for 10 years.
 - (2) Sales and Use Tax for Housing and Related Services (RCW 82.14.530 max .001%): this is tax that may be imposed at the county level.
 - (a) Skagit County is currently collecting taxes on this for services offered throughout the county.
 - (3) Property Tax Levy (RCW 84.55.050) if solely used for affordable housing: an increase to property taxes specifically earmarked for affordable housing.
 - (a) This option is more complicated and they Mayor would not recommend doing this since we have bank capacity.
 - (4) Bond Issuance
 - iii) Mayor Boudreau reviewed some of the ideas where this money could be allocated from rental assistance, shelter(s), capital investments, joint county projects, etc.
 - iv) Other HB 1406 considerations must be made for the staff time allocated to managing the projects associated with this funding.
- c) Monthly Sales Tax, TBD Revenue, and Real Estate Excise Tax (REET) Review
 - i) Director Volesky presented a brief over view of all three accounts.
 - (1) Sales Tax and TBD Revenue continue to outpace budgeted expectations.
 - (2) REET Tax is still below budgeted expectations.

4) Parks and Enrichment Services.

a) Project Update

- i) Bakerview Roadway & Sidewalk Project is Currently Underway
- ii) Hillcrest Rehab
 - (1) Repairing Asphalt and Landscaping damaged after Garden project
 - (2) Currently repairing the asphalt
- iii) Hillcrest Walkway Project is nearly complete
 - (1) Removed old walk way and lawn
 - (2) Repaved the walkways
 - (3) Re-sodded the lawn
- iv) Little Mountain Project is currently underway
 - (1) They are currently clearing, leveling, and grading the entrance and parking area.
- v) Other Parks Projects
 - (1) Pacific Quarry Reclamation Plan
 - (2) Skagit Pickleball Club Project
 - (a) Fundraised 32k of their 42k goal
 - (3) Vaux House Sewer repair

b) Recreation Update

- i) Director King gave an overview of some of the programs gearing up for this fall.
- ii) Director King thanked all the Volunteers who've contributed over 2293 hours so far this year.
- iii) Director King provide a brief over view on the Arts Commission activities

c) City Work Program Update

- i) Continuing trend in fewer embedded camps requiring Notice to Vacate & more overnight messes.
- ii) Working on Trumpeter & Kulshan trails, Riverwalk, and assisting private residences with encampment issues.

5) For the Good of the Order

a) None

The meeting adjourned at 6:56 p.m.

Submitted by:

Chase Kinney

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