

**Mount Vernon  
Finance Committee  
Parks & Enrichment Committee  
Minutes  
September 26, 2018**

Present: Councilmembers Beaton, Brocksmith, Carías, Hudson, Hulst, Molenaar and Mayor Boudreau

Staff present: Doug Volesky, Kevin Rogerson, Becky Jensen, Peter Donovan, Chief Dodd, Isaac Huffman and Chief Brice.

- 1) Minutes from August 22, 2018 were approved.
- 2) Finance Department
  - a. Banking Services – The banking services for the City were recently reviewed and a RFP was sent out to area banks. Currently the City has bank accounts with Bank of America, US Bank, Skagit Bank and the State Local Government Investment Pool. The City is currently pays \$40 to 45k in annual banking fees and the goal is to try and reduce these fees. There were three banks that had complete responses to the RFP and following the interviews and talking with client/references the Finance Department is recommending a change in the City’s bank to Opus Bank. Council will be presented with an agreement for their services tonight. The bank is confident that they can have services running by November 1, 2018.
  - b. Update of General Business License Ordinance: Becky Jensen reviewed changes to the business license ordinance that have been required by the Washington State Department of Licensing for compliance with their regulations. A proposed update to the ordinance will be presented at tonight’s meeting.
  - c. 2019 Major Budget Topics
    - i) The budget calendar was reviewed. The Mayor is scheduled to present the preliminary budget to Council on October 3<sup>rd</sup>. During the following weeks there will be work sessions to review the budget. The goal of presenting the budget at a public hearing for adoption is still November 7, 2018.
    - ii) Revenue policies were reviewed.
    - iii) Doug presented the current preliminary revenue estimates for the 2019 budget. Revenue projection is developed by analyzing history and trends as well as getting advice and guidelines from professional organizations. The estimates for property tax is likely to be changes as the County does not have any of the necessary data for those estimates ready. The overall revenue estimate is \$71,220,947. This is a \$14,812,171 increase over the estimated revenues that will be received in 2018. Some of the tax revenues are estimated to be lower than 2018. The overall revenue increase is due mostly to an increase in the intergovernmental charges, those charges include funding for capital projects like College Way at I-5 capacity improvements.

- d. Lodging Tax Advisory Committee (LTAC) has met and reviewed the requests for funding. The committee has recommended that 22 applicants receive a total of \$307,000. These will be included in the 2019 budget. The requests were similar to previous years. Council can either accept these recommendations or return them as rejected; they do not have the authority to change the amounts that are recommended.
- 3) Current Revenue Update:
- a. Sales tax revenue year to date is 11.25% over the same period in 2017. To date the City has collected \$387,315 over budget at this point.
  - b. TBD tax revenue year to date is 24.27% over projected budget. There has been \$1.3 million collected to date which is 93% of budget.
  - c. REET taxes collected year to date are 114.02% of budgeted revenues. The last three months of collections have been lower than the same periods in 2017. This trend was considered when creating the 2019 budget estimate.
- 4) 2019 Goals: Mayor Boudreau reviewed the 2019 Goals and work plan.
- a. The Mayor reviewed the goals that Council updated at their retreat and said she would like to present those for official adoption since the budget is created utilizing the goals as guidelines.

The meeting was adjourned at 6:50 p.m.

Submitted by  
Rebecca J. Wade  
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