

REDMOND CITY COUNCIL
PUBLIC ADMINISTRATION AND FINANCE COMMITTEE MEETING /
SPECIAL COUNCIL MEETING SUMMARY
Council Conference Room, City Hall
Thursday, October 21, 2010

Council

Hank Margeson, Chair
Kim Allen
Hank Myers
Richard Cole (*Attending Council Member*)
Pat Vache (*Attending Council Member*)
John Stilin (*Attending Council Member*)

Mayor

John Marchione

Staff

Mike Bailey, Finance and Information Services Director
Malisa Files, Financial Planning Manager
Helen Howard, Revenue Manager
Roman Ris, Senior Systems Analyst
Bert Guenther, Public Works Operations Maintenance
Manager
Kelley Wood, Treasurer
Michelle M. McGehee, CMC, City Clerk

Convened: 4:30 p.m.

Adjourned: 5:32 p.m.

MEETING SUMMARY

Committee Chairman Margeson called the meeting to order and overviewed the agenda.

Monthly Financial Report

Mr. Mike Bailey, Finance and Information Services Director, provided a financial report noting:

- the General Fund is carrying a negative balance at the end of September; however, this is reconciled by expected property tax revenues;
- revenues have trended downward in sales tax;
- there has been a decline in licenses and permits due to a refund made to a City customer, which affected the overall revenue trend; and
- expenses are below budget.

Economic Considerations and Process Used in Estimating City Revenues

Mr. Bailey provided a report with regard to economic considerations used in estimating city revenues. The report addressed:

- trending as presented by the Puget Sound Forecaster and the Office of Forecast Council;
- the Office of Forecast Council has seen continued growth; but the growth rate has declined;
- consumer spending;
- revision of the historical/personal savings rate;
- declination of net worth;
- consumer confidence remaining uncertain;
- credit conditions for small businesses are improving;
- corporate profits have increased since the decline and are back above the pre-recession rate;

- moderate growth is indicated in services and manufacturing;
- building permits;
- real estate activity;
- construction;
- auto sales;
- Washington State export growth is slowing;
- unemployment trends;
- the condition of the State's aerospace and software sectors – in good shape;
- revenue account collections are now trending upward and the trend is likely to continue;
- the State's General Fund forecast and revisions made to the forecast; and
- initiatives scheduled for the November election that could impact the City of Redmond's revenue sources.

Possible Bond Sale

Mr. Bailey reported that the 2011-12 proposed City budget includes appropriations to complete the downtown park and acquisition of the Smith property; monies to fund the projects would be accumulated through a bond sale. December 7, 2010, is currently a possible date on which to hold the bond sale. Mr. Bailey overviewed the reasons for conducting a sale in 2010 and advised that the repayment source would be the Parks Capital Improvement Program.

Members of the Committee agreed that staff should begin work on a possible bond sale.

Asset Maintenance and Management System Project

Mr. Roman Ris, Senior Systems Analyst, provided a report to the Members of the Committee with regard to the status of purchase for a city asset maintenance and management system. He noted that the three-phase project would involve the Public Works Department, the Parks Department, and possibly the Fire Department. Staff is currently in the consultant selection phase.

Mr. Bailey noted that a consultant agreement would come forward for Council consideration at the next regular meeting for a consultant to conduct a city needs assessment.

Debt Manual

Mr. Bailey spoke regarding the City's Debt Manual, which is an internal working manual. It is a way to keep track of the big picture, our limits, keeping ratings strong, and bond history. Mr. Bailey advised that the manual will be placed on the City's website when it is completed.

RMC Titles 1, 3, 5, and 9 Revisions

Mr. Bailey introduced Ms. Helen Howard, Revenue Manager. They spoke to the Members of the Committee regarding code changes needed to address technical corrections in the code, and business license renewal requirements.