

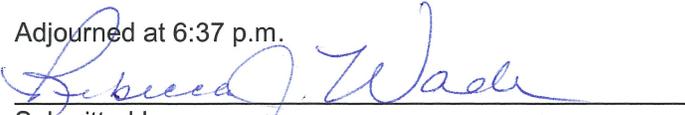
**Mount Vernon City Council  
Finance Committee  
Minutes  
May 25, 2016**

Present: Councilmembers Fiedler, Hulst, Hudson, Lindquist, Molenaar, Ragan, Mayor Boudreau

Staff present: Finance Director Huschka, City Attorney Rogerson

1. Minutes were approved.
2. Financial Update:
  - Sales Tax – the January through May 2016 collections are up 9.4% over the same period in 2015 excluding the sales tax generated from the jail construction project. This is part of a consistent upward trend this year.
  - Criminal Justice Sales Tax - the January through April collections are up 5.4% over the same period in 2015.
  - Building Permits – this continues to show solid growth. The permits for the jail were issued in 2015 and amounted to \$215,000 of the \$832,000 collected in that year. The budget for 2016 is \$525,000 which averages \$43,750 per month, the actual monthly average for January through April is \$69,000.
  - Business Licenses – this revenue is showing an increase for the first time in five years, up 2.7% Jan-Apr 2016 compared to the same period in 2015. Four of the last five years have been down when compared to the previous year.
  - Utility Tax – electricity, cable TV, sewer and solid waste utility taxes are showing increases for the period of January through April over the same period in 2015. Natural gas and telephone utility taxes are down compared to the same period.
  - REET – the collections for REET taxes are above budgeted estimates, but below the January through May 2015 collections by 25%.
3. Supplemental budgets –
  - Subarea Plan budget: The estimated cost in 2016 is \$60,000 which will require a budget amendment. If the optional Environmental Impact Statement is needed that cost could be an additional \$50,000 to 75,000; however that could occur in the next year and would be subject to Council direction.
  - Library roof project – this was not completed in 2015 and the project will need to be re-appropriated for the additional \$50,000 which was expensed in 2016.
  - Modular storage unit project was not complete until 2016 and this project will need \$10,000 in re-appropriations.
  - Dog Kennel project will need \$82,000 to be re-appropriated in 2016.
  - College Way at I-5 Widening capital project fund has a budget of \$424,000 while the estimated project cost will be \$6,000,000, of which all funding is secured. Alicia will not present a budget amendment until a final determination is made by Skagit County regarding the City's application for Distressed Economic County Grant funds.
  - Downtown Waterfront capital project fund has a budget of \$24,130,000. A budget amendment is necessary to reflect full funding and all secured revenue sources.
4. Kevin informed the committee that the City had received a declaration of possession and use for the Dairy Valley property that is in the pathway of the flood protection project. This will allow work to proceed.

Adjourned at 6:37 p.m.

  
Submitted by  
Rebecca J. Wade