

**Mount Vernon City Council
Finance Committee
Minutes
August 24, 2016**

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

Absent: Councilmember Ragan

Staff present: Finance Director Alicia Huschka

1. July 27, 2016 Committee minutes were approved.
2. Financial policies review and update: Ms. Huschka briefly reviewed the Financial Management Policies.
3. Financial Update: Ms. Huschka presented tax revenues for the January through July 2016 collection period.
 - Sales Tax – Revenue is up 13.4% for the period January to August 2016 compared to the same period in 2015; 9.8% without jail construction sales tax.
 - Criminal Justice Sale Tax – Collections are 5.7% higher than the same period in 2015.
 - Building Permits - Activity is up 1.4%. The 2016 budget is \$505,000 and the preliminary year-end estimate is \$685,000.
 - REET – Revenue is the same as the same period in 2015; the preliminary year-end estimate is \$550,000, while the budget is \$350,000.
 - Motor Vehicle Fuel Tax – Collections are 4.8% greater than the same period in 2015.
 - Utility Taxes: Electric, cable and garbage year-end estimates show collections up while gas, telephone and sewer are projected to be lower.
4. 2017 Budget – Preliminary discussion with Council
 - 2017 Revenue Projections, Fund Balance Use and Target Reserves: Ms. Huschka provided a review and preliminary year-end estimates of all major revenues. Fund balance use and reserves were also discussed. Wages, medical and pension rates and projected revenue growth for 2017 were presented.
 - Staffing Levels and Anticipated Requests: Ms. Huschka reported that 1 full time Fiber Manager, 1 full time Planner and 1 half time Prosecutor will be requested in the 2017 budget. There will also be requests for the part-time parking enforcement and permit technician positions to convert to full-time. There may be additional requests when department budgets are submitted for review.
 - Preliminary discussion items: Potential Transportation Benefit District revenue will not be included in the budget proposal. Costs for 911 fees, EDASC dues, Downtown Subarea Plan and rail explosion studies and creation of a Community Court were discussed.

- Capital Projects: Major future capital projects are a new Fire Station 1, new Library and a new City Shop; priority and funding concepts were presented,

5. Miscellaneous

- Other areas of discussion: The YMCA project and what the City can and cannot do to assist were discussed.

Adjourned at 6:58 p.m.

Submitted by
Becky Jensen