A meeting of the Council Finance Committee was held at the Family Pancake House Restaurant June 6, 2014 at 7:30 a.m. The meeting was noticed by the City Clerk that four or more council members may be in attendance. The meeting was recorded and the recording device provided to the City Clerk.

PRESENT: Chairman John Clauson, members Rob Putaansuu and Jerry Childs, and Treasurer Allan Martin.

**Finance Report:**
The Committee reviewed recent sales tax distributions that exceeded expectations by 4% or $13,027 more than anticipated. The May distribution totaled $321,837. 2014 to date sales tax revenue has exceeded projection by 4.7% total collection $1,557,678.

The Committee was presented business license activity since May 2010. The City has experienced an increase of 670 licensed businesses over the four year period due to annexation and additional activity. The increase translates into increased tax collection through business activity as well as increased pressure and demand on City services.

A copy of the 2013 Annual Financial Report was provided to committee members. Mr. Martin explained that the 2013 annual finance audit is scheduled to begin in September. The Annual Financial Report has been filed with the State Auditor and the information will form the bases of the auditors audit activity.

The State Treasurer is requiring participants of the Local Government Investment Pool ("LGIP") to update the Resolution authorizing the City to contribute funds available for investment in the LGIP. The City of Port Orchard is a current participant. An updated Resolution for continued participation in the LGIP will appear on the June 24 Council agenda.

**2015 Budget:**
The 2015 Budget Calendar was presented for review. The calendar will be adjusted slightly to reflect Veterans Day holiday and to align with business practices while meeting statutory deadlines and provisions.

The Committee discussed aligning budget to actual January 1 through December 31 salary payroll costs, because the City pays every other week pay periods overlap at year-end. The 2015 budget will reflect actual salary expense during the fiscal year.

The Springbrook™ Extended Budgeting module will be used in writing the 2015 budget. The City embarked on providing extended budgeting in 2011 and with the most recent update of Springbrook the module is now available to directors. Council members will notice formatting changes during the budget writing process but finance will continue to use the budget worksheet which includes revenue from all sources. In the future the worksheet will be dropped as well as the data is included in Springbrook. Finance considers the continued use of the worksheet as a
baseline that the new process can be compared but which will be phased out with the success of extended budgeting.

The City finance department will be seeking the WFOA distinguished budget award in 2015.

**Cell site lease appraisal:**
From time to time the City has been approached to sell its cell tower site lease(s). The City has declined to do so because of the long-time nature of the sale, typically 99 years. Recently the City was approached by Wireless Capital Partners, LLC for a term of 10 years. The Committee was asked whether or not staff should pursue an appraisal or offer from Wireless. The Committee suggested that they were “curious” and proposed staff pursue terms and conditions and amount a site lease sale may net the City.

The meeting was adjourned at 8:47 a.m.

**Next Meeting:** July 24, 2014 at 7:30 am Family Pancake House.