



City of Tacoma

Government Performance and Finance Committee Minutes

Dial: 253-215-8782 Meeting ID: 827 5299 8740

Webinar Link: www.zoom.us/j/82752998740 Passcode: 614650

August 17, 2021

10:00 AM

Chair John Hines, Vice Chair Lillian Hunter, Robert Thoms,
Kristina Walker, Keith Blocker (alternate), Mark Patterson (ex officio)

Call To Order

Chair Hines called the meeting to order at 10:03 a.m.

Roll Call

Present: 3 - Hines, Hunter and Walker

Absent: 1 - Thoms

All Council Members participated virtually.

Ex Officio Member Mark Patterson was also in attendance.

Briefing Items

1. [21-0805](#) 2020 Audit Exit Conference
[Olga Darlington, Partner, Moss Adams LLP]

At approximately 10:03 a.m., Olga Darlington, Partner, Moss Adams LLP, presented on the 2020 audit exit conference, including the Auditor's report on the financial statements; required communications to those charged with governance; the areas of audit emphasis, noting internal control environment, treasury, capital assets, debt activity, net pension and other post-employment benefits liabilities, and revenues and expenses; significant accounting policies and unusual transactions; management judgments and accounting estimates including risks and uncertainties; that there were no difficulties encountered and no disagreements with management; other communications; audit adjustments and passed audit adjustments; and acknowledgements.

Discussion ensued regarding Tacoma Public Utilities' (TPU) inability to collect outstanding balances and how it affected the audit, City of Tacoma and TPU management estimates, and past audit adjustments.

2. [21-0806](#) Monthly Budget Update
[Hayley Falk, Lead Budget Analyst, Office of Management and Budget]

At approximately 10:29 a.m., Hayley Falk, Lead Budget Analyst, Office of Management and Budget (OMB), presented the monthly budget update, including a budget overview, sales tax revenues, the General Fund's positive expense variances, the Parking Fund, Tacoma Venue and Events, and permitting demand.

Discussion ensued regarding appreciation for the monthly budget updates, a mid-biennium budgeting timeline, when Council Members should reach out to OMB about items for the mid-biennium budget, American Rescue Plan Act funding items, the Monthly Financial Dashboard on the City's website, and the General Fund revenue variance.

3. [21-0807](#) Draft Reserve Policy
[Andy Cherullo, Director, Finance; Katie Johnston, Budget Officer; Jackis Coulibaly, Management Analyst, Office of Management and Budget]

At approximately 10:43 a.m., Andy Cherullo, Director, Finance, gave opening remarks and introduced Jackis Coulibaly, Management Analyst, OMB, presented an overview draft of the updated Reserve Policy, including an agenda; the City's current Reserve Policy, noting scope and purpose, fund balance level, and the use of replenishment of funds; draft reserve recommendations including creation of three sub-funds; general sub-fund reserves; emergency reserves; contingency reserves; the use of General Fund reserves; replenishment of reserves sub-funds; and next steps.

Discussion ensued throughout regarding whether the City Council moved the request for stadium funding to a vote, whether the Reserve fund percentages are cumulative or not, what Committee feedback is needed, how this draft policy effects the budget overall, the number of votes needed to access the different reserve sub-funds and how to increase that number, and whether draft Reserve Policy effects TPU, and TPU's own Reserve Policy.

MOTION: Council Member Hunter moved to forward staff recommendations for the draft General Fund Reserve Policy updates to the full City Council.

SECONDED BY: Council Member Walker.

ACTION: Voice vote was taken and carried. The motion was declared adopted.

Ayes: 3 - Hines, Hunter and Walker

Absent: 1 - Thoms

4. [21-0808](#) Deferred Repair and Replacement Project Funding
[Nick Anderson, Management Analyst, Office of Management and Budget]

At approximately 11:15 a.m., Nick Anderson, Management Analyst, OMB, presented on deferred repair and replacement project funding, including an agenda; a definition of what the problem is; why should we care; consequences of delay; an example of deferred repair on the Municipal Complex exterior, noting the prior 2010 exterior assessment, the May 2021 exterior assessment, impacts of deferring accelerated deterioration, that exterior repair is required, and that other challenges and questions remain; best practices; what can we do; 2019 City Council engagement; program scope and vision; approaches; and repair and replacement recommended strategy.

Discussion ensued throughout regarding whether a full list of facilities that need repair exists, repair reassessments, a request for an updated tour of facilities in need of repair, whether the costs of converting City buildings from gas heating to electric is included, timing of repairs and conversions to increase cost savings, the impacts of operating an older building, a request for the Committee to look into the backlog of deferred projects, and the potential for future presentations.

MOTION: Council Member Hunter moved to forward staff recommendations for deferred repair and replacement project funding to the full City Council.

SECONDED BY: Council Member Walker.

ACTION: Voice vote was taken and carried. The motion was declared adopted.

Ayes: 3 - Hines, Hunter and Walker

Absent: 1 - Thoms

Topics for Upcoming Meetings

5. [21-0809](#) September 7, 2021 - Cancelled
September 21, 2021 - Multi-family Tax Exemptions; Monthly Budget Update

Ted Richardson, Committee Liaison, stated the September 7, 2021, meeting has been cancelled, that the September 21, 2021, meeting will include the first of three Multi-Family Property Tax Exemption (MFTE) conversations

with further discussions at the October 15, and October 29, 2021, meetings.

Other Items of Interest

There were no other items of interest.

Public Comment

There was no Public Comment.

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Chair Hines elaborated on the three upcoming MFTE presentations, noting an overview on the current MFTE policy, the changes that happened at City and State levels during 2021, review of the amendments made by the City in 2019, and future changes. Chair Hines further stated that redistricting of the five council district positions, to reflect the most recent census data, will be coming to the Committee in the future.

Adjournment

There being no further business, the meeting adjourned at 11:44 a.m.



John Hines, Chair



Jered Lobban, City Clerk's Office