

**TUMWATER BUDGET AND FINANCE COMMITTEE
MINUTES OF MEETING
November 16, 2017 Page 1**

CONVENE: 3:04 p.m.

PRESENT: Mayor Pete Kmet and Councilmembers Joan Cathey, Nicole Hill, and Eileen Swarthout (for Tom Oliva).

Staff: City Administrator John Doan, Finance Director Ursula Euler, Executive Assistant/Deputy City Clerk Hanna Miles, and Recording Secretary Valerie Gow.

2018 COMMUNITY HUMAN SERVICES PROGRAM: Mayor Kmet welcomed everyone and reviewed the agenda. The budget allocation for 2018 is \$15,000 with funding requests totaling \$19,000.

DISPUTE RESOLUTION CENTER: Jody Suhrbier, Executive Director, Dispute Resolution Center, reported the Center has provided services since 1991 to mentor the next generation, prevent conflicts, and mediate conflicts. Although disagreement and conflict are normal, there are useful ways and different skill sets that are helpful when handling conflicts to help serve the community. The agency's call center is a free service to the community. The center receives over 700 calls annually on a variety of issues. Conciliation service is free to all parties. The Center's training program serves 800 individuals a year with capacity to train more. Mentoring the next generation is offered through local school districts in the region. The Center is actively working with the Olympia School District, Tumwater School District, Shelton School District, and Yelm School District. Each middle school student in Tumwater was afforded an opportunity to participate in all-day training on communication and conflict resolution.

Mayor Kmet asked about the extent of activity generated by Tumwater residents. Ms. Suhrbier said the Center serves 5,000 individuals annually. Service to Tumwater represents approximately 5% to 10% of the Center's total services. The Center is converting to a different tracking system to track calls for service by zip code.

Councilmember Cathey asked about the number of calls referred for counseling or mediation. Ms. Suhrbier said approximately half of all calls require mediation or approximately 300 mediations annually. Often, assistance entails working with the individual through the next steps. Those services are free to the public. Charges for mediation or counseling is on a sliding level based on the federal poverty level. The Center never turns anyone away as the Center is subject to a legislative mandate to offer services. All services are accessible even if someone cannot afford the service. The Center augments its ability to secure some earned income for mediation services by seeking grants and accepting contributions.

Councilmember Cathey commented on the excellent telephone support

TUMWATER BUDGET AND FINANCE COMMITTEE
MINUTES OF MEETING
November 16, 2017 Page 2

service the Center provides to the community.

**TUMWATER
EDUCATION
FOUNDATION:**

Justine Schmidt, Tumwater Education Foundation (TEF), Board of Directors, and Mary Henley, Secretary, Tumwater Education Foundation, presented the funding request for the Principals' Emergency Fund. Previously, the TEF provided scholarship opportunities for students graduating from Tumwater schools, as well as classroom and enrichment grants. The memorial scholarships honor students, families, and communities. Classroom enrichment grants fund projects and programs that are beyond classroom budgets. Students at all grade levels benefit from those grants. In 2006, the Foundation expanded its scope to include oversight of Tumwater's Principals' Emergency Fund. The fund removes common barriers for low-income students to maximize their potential. The goal of the program is to meet student needs quickly. If awarded funding, the funds will go directly to the Principals' Emergency Fund. The funds will be allocated proportionately to each school in the Tumwater School District. The amount received is calculated by each school's student population. The principals of each school oversee the funds and use the funds to provide basic emergent needs, such as clothing, medical care, food, or any other barrier restricting the student from maximizing their full potential. The program was modeled from the Olympia School District and the North Thurston Public Schools programs. The TEF will continue to fundraise annually for the program and will continue to receive funds from various businesses and individuals and other grant opportunities.

Mary Henley reported that the program was able to disperse the first grant to the Principals' Emergency Fund in September following the opening of the school year. The Tumwater High School Principal reported that after receiving the funds, the school was able to provide a student three nights at a local motel. The student had been kicked out of his home, was working through some domestic violence issues, and was sleeping in his car. The student wants to be the first in his family to graduate from high school. The Principals' fund helped to remove barriers to his success. Another principal was able to purchase shoes, coats, clothing, and household items. The Principal of Littlerock Elementary School reported that the school used some of the funds to help a family secure an apartment. Additionally, the local community and the school were able to obtain furniture from a furniture bank for the family. Another family was helped through the purchase of an alarm clock, as the family was dependent upon public transportation. Another family received phone assistance.

Ms. Schmidt referred to limited school district budgets and restrictions on federal funds. The Principals' Emergency Fund can fund needs with no restrictions. The main goal is to maximize the potential for those students who are in crisis to help them focus on education.

Councilmember Cathey asked about the amount raised by fundraising

**TUMWATER BUDGET AND FINANCE COMMITTEE
MINUTES OF MEETING
November 16, 2017 Page 3**

activities. Ms. Henley replied the Foundation would net approximately \$27,000 this year to allocate to Tumwater schools doubling the amount the schools received last year. Ms. Schmidt said the first year fundraising efforts raised \$14,000 compared to approximately \$28,000 this year. The funds are available to any student in the district.

Ms. Schmidt noted that Councilmember Swarthout is a volunteer for the TEF.

Mayor Kmet asked how the funds would be tracked. Ms. Schmidt advised that the school is accountable for the funds distributed through documentation and justification of expenses.

City Administrator Doan commented that the City's allocation could be designated for one school for purposes of accounting for the funds rather than having each school account for several hundred dollars of expenses.

**BIG BROTHERS
BIG SISTERS OF
SOUTHWEST
WASHINGTON:**

Jeff Engle, CEO, Big Brothers Big Sisters of Southwest Washington, said he assumed the role of CEO four months ago and has been a Big Brother for six years. He has participated in community mentoring and has witnessed firsthand the benefits one-on-one mentoring provides. His goal is to partner with other agencies in the community, as there is much overlap of services, and to ensure the agency coordinates mentoring services and partners with other agencies. TOGETHER is involved with the agency promoting a program for mentoring youth.

Jill Kawulok reported the organization offers two programs. The first is community-based mentoring with children (Littles) who are matched with an adult (Bigs). Together, they participate in activities during the evening and on weekends. The second program in the City of Tumwater is a site-based program whereby high school students are matched with youth at the Boys and Girls Club. In 2017, the program served 23 youths from the City of Tumwater with 14 of the youths from single-parent homes, five youths had an incarcerated parent, and five youths were in foster and kinship care. The organization receives referrals from foster care and through the schools and other service agencies.

The program recruits children either through referrals or through the parents. The child is interviewed to learn what they are seeking in a mentor and their respective needs. The program recruits mentors to match with the children who have the same interests and similar compatibility. The mentors complete an application process, interview process, and a background and reference process. Mentors are required to attend pre-match training prior to being matched with a Little.

New initiatives this next year include Girl Power geared to middle and high school girls. The program includes three components of career

TUMWATER BUDGET AND FINANCE COMMITTEE
MINUTES OF MEETING
November 16, 2017 Page 4

exploration, financial literacy, and matching the student with people in leadership and business roles to share information about their experience, community interests, and their respective career path. At the end of the program, students successfully completing the program are eligible to receive a \$500 scholarship to further their education.

Another new initiative in 2018 is a partnership with the YMCA and TOGETHER to implement an after school program at Bush and Tumwater Middle Schools. The program will serve children who are homeless or receive free or reduced lunch. The partnership includes the organization recruiting mentors for the program to work with youth after school. The program is scheduled to start in January. The focus of the program is matching students with mentors. All services are at no cost to students as the organization receives funding through special events and grants.

Ms. Kawulok addressed questions about the ages of youth served. The organization serves children aged 6 to 18. The oldest youth served in Tumwater is currently a ninth grader who participates in the community-based program. The average match for the mentoring program is 36 months. The longest match was nine years.

Councilmember Cathey asked about the source of the \$500 scholarships for the Girl Power program. Ms. Kawulok said the organization funds the scholarships. The goal is to serve 20 girls this year. The girls participate in the community-based program with matches and with high school Bigs at the Boys and Girls Club.

**GARDEN RAISED
BOUNTY (GRuB):**

Jackson Sillars, Community Solutions Manager, GRuB, said he manages the garden building and veteran programming collectively known as the Victory Garden Project. The mission of the program is growing healthy people, communities, and food. The Victory Garden Project was formally the Kitchen Garden Project founded in 1993 with over 2,800 gardens constructed. Last year, the program built 64 Victory Gardens in Thurston County with 53 gardens provided to low-income families at no charge who live below the federal poverty level. Eleven of the gardens are in a program where gardens are built on a sliding scale when the family has some ability to pay some of the cost of the garden.

The gardens served 53 households with seven of the gardens located in Tumwater. This year, 93% of the gardeners were women with one-half of the households having children and 50% reporting monthly food insecurity. In 2018, the goal is to construct five more gardens or 10% of the gardens in Tumwater.

End of year surveys document outcomes and impacts from growing gardens. This year, three of the Tumwater gardens were constructed by Tumwater Fresh students. The program generated 54 volunteers with 13

**TUMWATER BUDGET AND FINANCE COMMITTEE
MINUTES OF MEETING
November 16, 2017 Page 5**

veteran volunteers. The program depends on donations for seeds, plant starts, and soil. The inspiration for garden building was promoted by Dan Barker of Portland who recently died in September 2017.

Mayor Kmet asked about the approximate market rate cost of a garden. Mr. Sillars said each garden costs approximately \$500.

Councilmember Hill inquired about the method for outreaching families. Mr. Sillars said the organization has an extensive list of community partners and through mutual support and sharing of information, candidates are identified.

**FAMILY
EDUCATION AND
SUPPORT
SERVICES:**

Shelly Willis, Family Education and Support Services, reported the organization served 41 individuals of whom 22 were adults and 19 were youths representing 17 Tumwater families at Peter G. Schmidt Elementary School for a six-week parenting class. The intent is to repeat the program in 2018. This year, the program will be held at Michael T. Simmons Elementary School. Meals for the participants were donated by a local business. The organization partnered with the YMCA and the Boys and Girls Club to offer a children's program during the class.

Ms. Willis shared pre-survey results and survey results after the classes. At the end of the class, participants were asked what could be done to improve the class. Approximately 53% of the participants indicated the class should be longer.

Ms. Willis reported the organization has located a facility in Tumwater to provide direct services to families. The facility will be a Center for Resilience. The facility will be located near South Puget Sound College in a four-story building comprised of housing in the top three stories and the bottom floor serving as the Center for Resilience. The organization is seeking to partner with several other nonprofit organizations to provide a warming center for families to visit with parent coaches and laundry facilities.

Councilmember Cathey spoke in support of the program as the class affords participants with a meal and place for their children during the class.

**COMMITTEE
DISCUSSION:**

Mayor Kmet reported that Councilmember Swarthout attended the meeting on behalf of Councilmember Oliva because of a family emergency. He suggested resolving the issue of a potential conflict of interest involving Councilmember Swarthout's status based on her participation in the Tumwater Education Foundation. Councilmember Swarthout said she serves as a volunteer to help organize events. She is not a member of the Tumwater Education Foundation Board.

**TUMWATER BUDGET AND FINANCE COMMITTEE
MINUTES OF MEETING
November 16, 2017 Page 6**

Mayor Kmet said he does not believe there is an issue with participation by Councilmember Swarthout. Councilmember Cathey said she is a little uncomfortable as Councilmember Swarthout's main emphasis is the Principles' Fund. Discussion ensued on various Councilmembers hosting events for other organizations seeking funds from the City. As a volunteer or advocate for those organizations, Councilmembers do not have a vested interest or a conflict. Councilmember Cathey supported Councilmember Swarthout's participation but wanted to ensure there were no conflicts.

Mayor Kmet recommended enabling Councilmember Swarthout's participation while avoiding any advocacy for that particular group. City Administrator Doan affirmed there was no conflict of interest as Councilmember Swarthout is not profiting from an award of funds.

Councilmember Hill inquired about the possibility of adding \$4,000 to the budget to fund all the requests. Mayor Kmet shared some reasons for not adding more funds to the budget.

Committee members shared their respective recommendations for allocation of the funds.

MOTION: Councilmember Hill moved to fund all applications. The motion died due to the lack of a second.

The committee agreed to the following funding recommendations as recommended by Councilmember Swarthout:

- Dispute Resolution Center of Thurston County - \$2,000
- Tumwater Education Foundation - \$3,300
- Big Brothers Big Sisters of Southwest Washington - \$3,200
- Garden-Raised Bounty (GRuB) - \$2,500
- Family Education and Support Services - \$4,000

MOTION: Councilmember Hill moved, seconded by Councilmember Cathey, to recommend the City Council approve the following funding recommendations:

- **Dispute Resolution Center of Thurston County - \$2,000**
- **Tumwater Education Foundation - \$3,300**
- **Big Brothers Big Sisters of Southwest Washington - \$3,200**
- **Garden-Raised Bounty (GRuB) - \$2,500**
- **Family Education and Support Services - \$4,000**

Motion carried unanimously.

City Administrator Doan updated the committee on the status of

**TUMWATER BUDGET AND FINANCE COMMITTEE
MINUTES OF MEETING
November 16, 2017 Page 7**

community discussions for funding cold weather shelters. The discussions have focused on the service providers, staffing, schedule, and potential locations.

Councilmember Cathey shared information on discussions by the Community Investment Partnership (CIP) concerning additional beds. The CIP has some emergency funds available.

COMPREHENSIVE WRITTEN FINANCIAL POLICIES:

Deferred to a future meeting.

ORDINANCE NO O2017-029, 2017-2018 BUDGET AMENDMENT #1:

Director Euler presented the proposed budget amendment. The amendment is for the first 2017/2018 budget amendment. Additionally, in connection with the amendment, the committee reviews the year-to-date financial update. The connection between the two includes some unusual items that were requested for incorporation within the budget as a budget amendment. During the last cycle, the City approved the annexation and sometimes during economic downturns, revenues might be affected and are not as high as forecasted requiring a reduction in the budget. The financial update is included in a memorandum format.

The proposed budget amendment is limited in scope with a routine adjustment for the first year of the biennium to account for the closeout of 2016. As final numbers have been determined, it is timely to adjust the beginning fund balances to reflect the ending fund balances for 2016.

Director Euler referred to information reflecting changes to the beginning fund balances. The total for all funds is \$965,515,00. Most of the variances in the General Fund were from revenue sources. When the beginning fund balance was estimated for the 2017/18 biennium, the estimates were conservative. Revenue for permitting and planning fees continue to be strong, as well as sales tax receipts, which is why the City has approximately \$1 million more than forecasted.

Major budget adjustments are for vehicle purchases. Staff learned that two vehicles should have been budgeted as the City had the funds. One of the purchases was funded from the sale of two motorcycles in 2016, but not included in the 2017 budget. Something similar occurred with a patrol vehicle for a total of approximately \$100,000. The adjustment is reflected in the Equipment Rental & Reserve Fund.

Mayor Kmet questioned the \$1.3 million that was less than budgeted for the ending fund balance in the Sewer Utility and \$300,000 less for the Stormwater Utility. Director Euler reported the variance is reflective of capital spending. During the previous year, the City saved a similar large

TUMWATER BUDGET AND FINANCE COMMITTEE
MINUTES OF MEETING
November 16, 2017 Page 8

amount in both utilities, as the funds were never expended. In 2016, the City began to complete some capital projects. Revenues in the utility accounts are stable and predictable while capital projects can create increases and decreases from year-to-year.

Director Euler reported the City also approved an additional \$80,000 for the Parks Department for play structures. The amendment proposes to adjust the budget to account for that additional expense within the General Fund. Funds for the play structures are from development fees.

Several debt items are included in the amendment regarding the golf course. The golf carts were leased and do not require budgeted debt service payments. Those debt service payments were originally budgeted and have been eliminated and replaced with lease payments. The golf course also sold the older carts for \$76,400, which is also reflected in the amendment (footnote #8). The budget for the lease payments is partially offset by the revenue from the sale of the older carts.

The City is close to issuing a purchase order for the fire engine. The capital outlay is included in the amendment.

Mayor Kmet advised that the portion of supervision provided by GRuB for the students of the Tumwater Fresh program would no longer be provided, which will require the City or the Tumwater School District to assume that cost. Several students participating in the Tumwater Fresh program are planning to attend the budget public hearing to share information on the merits of the program. Another option for sharing the cost could include the Boys and Girls Club. At a minimum, if the City plans to continue the program, some funding should be included in the 2018 budget. However, the amount would not be determined until the City has an opportunity to explore other options. Currently, the Fresh program is under the school district through the regular school year program. The discussion would be prompted when the school district begins recruitment of students for next summer.

City Administrator Doan added that the school district was aware when it entered the partnership that GRuB would be leaving the program at the end of two years. Conversations are occurring at the school district to determine a way to sustain the program through the summer.

Mayor Kmet requested consideration for continued funding of the Youth Employment Program.

Mayor Kmet referred to a footnote for medical jail costs that are currently in litigation. Director Euler said the amounts are based on estimates. The offsetting reimbursement was included as revenue. The dollar amount is an estimate.

**TUMWATER BUDGET AND FINANCE COMMITTEE
MINUTES OF MEETING
November 16, 2017 Page 9**

Footnote #4 pertains to the conduit project. A transfer from the E-Link Fund would fund the addition of conduit installed during projects. A project was initiated in 2016 that was funded from the Transportation Fund, which is proposed for reimbursement. The budget documents should reflect an additional notation of the amount as “new revenue.” Essentially, the transaction is an interfund loan from the Transportation Fund that is being repaid of \$75,971.

Director Euler reported the proposed budget amendment requires one public hearing scheduled on November 21.

Director Euler provided a brief quarterly financial update. Similar to the last quarter, the City is experiencing strong revenues with property taxes on track and sales tax receipts increased by 14%. The short-term forecast is good. However, the City should remain cautious over the long term because of the 1% limit on property tax increase. Economic data was included from the Washington Economic and Revenue Forecast Council. The Council predicts modest growth in the state with a decline in auto sales forecasted.

The committee discussed potential future impacts caused by the national economy and some elements within the quarterly financial report. The quarterly report reflects expenditures are on track while revenues reflect some increase in sales tax.

The committee agreed to have staff schedule another meeting to review the Comprehensive Written Financial Policies.

ADJOURNMENT: With there being no further business, Mayor Kmet adjourned the meeting at 5:31 p.m.