FINANCE & ECONOMIC DEVELOPMENT COMMITTEE MINUTES
JULY 28, 2020
8:30 A.M. – 9:30 A.M.
REMOTE ONLY

COUNCIL PRESENT: MAYOR RYDER (CHAIR), DEPUTY MAYOR PRATT, COUNCILMEMBER GREENSTEIN

STAFF PRESENT: SCOTT SPENCE, RICK WALK, TROY WOO, ELISSA FONTAINE

ACTION: APPROVE FINANCE & ECONOMIC DEVELOPMENT COMMITTEE AGENDA
MOTION: MOTION MADE, SECONDED, AND CARRIED BY COUNCILMEMBER GREENSTEIN AND DEPUTY MAYOR PRATT

2020 MID-YEAR FINANCIAL UPDATE

STAFF: TROY WOO, FINANCE DIRECTOR
ACTION: INFORMATION ONLY

As of June 30, 2020, total General Fund Expenditures were $27,517,791 or 48.5 percent of the amended 2020 Budget. This is a total increase of $2,372,689 or 9.4 percent compared to the mid-year 2019 total expenditure level. Expenditures at June 30, 2019, were 49.7 percent of the total 2019 General Fund Budget. The majority of the 2020 increase is due to inflationary increases, rising labor force expenditures, and one-time COVID-19 community and economic support. This variance was anticipated by the amended 2020 Budget.

As of June 30, 2020, total General Fund Revenues were $28,468,844 or 50.1 percent of the amended budget. Last year at this same time, revenues were 56.7 percent of budget. Mid-year General Fund Revenues decreased $221,914 compared to the previous year. The Current Expense Fund revenues decreased $597,351. The impacts of the COVID-19 public health emergency are illustrated by the mid-year revenue results. Some impacts are not reflected yet in the revenues and the impacts are expected to be longer term in nature.

Staff will continue to monitor the City's economic condition and indicators. The high level of uncertainty will make the 2021 revenue projections very challenging.

Council instructed staff explore creating an individual line item for Community and Economic expenses, in order to remove it from the Capital Equipment budget line for the 2021 budget.

2020 SECOND QUARTER INVESTMENT REPORT

STAFF: TROY WOO, FINANCE DIRECTOR
ACTION: INFORMATION ONLY

The City's adopted investment policy requires quarterly reporting to the City manager and annual reporting to the City Council. The Finance & Economic Development Committee requested to extend extra review of the reports to semi-annually, and the quarterly reports be presented to the City Manager. Per the investment policy, the City Council will have the opportunity to review the report on an annual basis.

The City's core fund portfolio outperformed the investment strategy benchmarks due to abrupt interest rate decreases due to the COVID-19 public health emergency. The core fund net total return for the quarter was 0.33 percent. The benchmark total return for the period was 0.09 percent.

At the end of the second quarter, the City found extra yield in highly rated municipal bonds. This required using liquid funds, so the core funds have been slowly increasing.

FOOD TRUCK COURT

STAFF: RICK WALK, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
ACTION: INFORMATION ONLY

Rick Walk, Community & Economic Development Director provided an update on the Depot Plaza plans. Council discussed the location and inquired if there was a more suitable site to accommodate the plaza long term.

AMENDMENT TO LMC 1.20.020 WAIVER OF FEES FOR LOW INCOME HOUSING PROJECTS

STAFF:	RICK WALK, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
ACTION:	INFORMATION ONLY

Rick Walk, Community & Economic Development Director discussed a priority action item identified in the City's Affordable Housing Strategy is expanding the program that waives fees for non-profits building low-income housing to private sector builders that build low-income housing.

Currently, Lacey Municipal Code (LMC) 1.20 authorizes the City Manager to waive certain development fees for community-based housing development organizations, Habitat for Humanity and the Boys and Girls Club of Thurston County.