

**City of Port Orchard
Council Finance Committee**

A meeting of the Council Finance Committee was held in the Council Conference Meeting Room at City Hall on February 19, 2019 at 5:00 p.m.

PRESENT: Council members John Clauson, Beck Ashby and Shawn Cucciardi, Mayor Rob Putaansuu, Director of Finance Noah Crocker,

The meeting was audio recorded.

Finance Report

The sales tax revenue collected thru 2018 is at 8.6% over its 2018 budget and 7.7% over the 2017 actual sales tax revenue collected.

Real Estate Excise Tax ended with total year-to-date collections at \$822,372. Although, when compared to 2017, it is approximately \$145,995 less, it surpassed its budget for 2018. REET still remains higher than the 5-year average. The committee reviewed a fund balances and had no questions or concerns.

Tremont Widening Project

Finance Director Crocker provided members the Tremont Widening Project Construction Finance Plan. The committee walked through the expenditure plan and compared year-to-date budget to year-to-date actuals. Thus far, the project has spent approximately \$12.880 million and is anticipated to be complete by June.

Reimbursement Resolution

Finance Director Crocker provided members a description of the reimbursement resolution and its purpose.

The City of Port Orchard recently created and Equipment Rental and Revolving Fund. As part of the 2019-2020 Budget the City Council approved the acquisition of vehicles and equipment amounting to a total expense of \$1,226,000 for the biennium.

In order to best manage the City's cash resources some or all these vehicle acquisitions may be financed at a future date. The City desires to have the flexibility to reimburse itself from the proceeds of the borrowing if they choose to seek financing. A reimbursement resolution is a document which can provide the City the flexibility to achieves its goals.

The Finance Committee discussed the benefits of a reimbursement resolution and recommended it be brought forward to the full council for approval.

The meeting adjourned at 5:20 pm.

Role of the Finance Committee

The finance committee provides oversight of city budgeting, financial planning, and financial reporting. The committee recommends long-range financial goals along with funding strategies for the operating and capital budgets. Human resource issues requiring policy direction are brought before the committee. The committee serves as the advisory forum for transportation and street maintenance funding, and funding relating to the transportation benefit district.