

FINANCE COMMITTEE MEETING MINUTES

January 8, 2013

Councilmembers Present

Councilmember Yamamoto
Councilmember Fraley-Monillas

Public Present

Ron Wambolt
Bruce Witenberg

Staff Present

Shawn Hunstock, Finance Director
Jeannie Dines, Recorder

Councilmember Yamamoto called the meeting to order at 6:56 p.m. He welcomed Councilmember Fraley-Monillas to the Finance Committee.

A. November 2012 Monthly Financial Report

Mr. Hunstock presented the November 2012 Monthly Financial Report. For Councilmember Fraley-Monillas, he explained a lot of changes have been made to the report over the past year and changes will continue to be made in an effort to make the report as meaningful and as useful as possible for the public and the Council. Councilmember Fraley-Monillas asked to meet with Mr. Hunstock in the next week to discuss the past 1-2 years and plans for the future.

Mr. Hunstock highlighted the following:

- YTD fund balance through November in the General Fund of \$744,000. The 2013 budget projects 2012 will end with a \$300,000 surplus due to expenses in December. Some cities have a cutoff for expenses in early/mid-December in order to have a better idea of the year-end balance. He plans to propose in future years, the cutoff be the end of the first week of December.
- Negative balance in the Combined Street Construct/Improv Fund is due to grant related expenses for which the granting agency will be billed.
- Overall General Fund revenue is slightly over budget through November; expects to end the year slightly over budget.
- REET revenue is \$715,000 through November; 2012 budget was \$590,000. REET revenue in the 2013 budget was increased to \$650,000.
- Expenditures through November are 1.5% below budget; none of the departments are over budget.
- Expenditures by department are at 86% of budget, November is 92% through the year.

Action: Schedule on the Consent Agenda

B. Public Comments

Bruce Witenberg, Edmonds, recalled a few weeks ago the Council approved a settlement agreement and asked where that payment was reflected. Mr. Hunstock explained the payment was made in December from the Risk Management Reserve Fund 011 and will be reflected in the December 2012 Monthly Financial Report. The settlement approved tonight will be paid out of the same fund in January 2013. The balance in the Risk Management Reserve Fund through November is \$244,000; an additional \$449,000 was budgeted in the 2013 budget to pay claims and litigation.

Ron Wambolt, Edmonds, observed government accounting does not have accruals. Mr. Hunstock explained it is modified accrual accounting; certain limited items can be accrued. The liability was not created until the agreement was executed which was in 2013. If the agreement had been signed in the last week of 2012, and the check issued in 2013, it would have been accrued back to 2012.

Adjournment – The meeting adjourned at 7:20 p.m.