

FINANCE COMMITTEE MEETING MINUTES

July 9, 2013

Councilmembers Present

Councilmember Yamamoto
Councilmember Fraley-Monillas

Public Present

Ron Wambolt
Roger Hertrich
Bruce Witenberg

Staff Present

Roger Neumaier, Finance Director
Doug Fair, Municipal Court Judge
Stephen Clifton, Comm. Serv./Econ. Dev. Dir.
Carrie Hite, Reporting HR/Parks & Recreation Director
MaryAnn Hardie, HR Manager
Phil Williams, Public Works Director
Jeannie Dines, Recorder

Councilmember Yamamoto called the meeting to order at 6:00 p.m. Item E was moved to follow Item G and an update on the Parks Impact Fee was added to the agenda following Item E.

A. Reinstating Clerk Position

Judge Fair described his request to reinstate a half-time clerk position to full-time, explaining filings have increased in 2013. Staff has been observed working during breaks and lunches. Reinstating the clerk position will not require an increase in the budget, only a transfer from unallocated funds in the public defender contract in the non-departmental budget. The cost to reinstate the half-time position is \$25,000-\$30,000. He estimated additional revenues of \$75,000.

Action: Finance Committee expressed support. Public Safety & Personnel Committee also supported, schedule on Consent Agenda.

B. L & I Claims Management

Ms. Hite explained HR has been reviewing the City's worker's compensation (L & I) program as a continued part of risk management from a safety and a loss control perspective. Ms. Hardie reviewed options for claims management and potential cost savings by using a third party to manage claims. Discussion followed regarding the contract term, existing claims management, ability to get out of the contract.

Action: Finance Committee expressed support.

C. Interlocal with Snohomish County Regarding City Park Project Funding

Ms. Hite reported Snohomish County recently sold bonds to support various projects in Snohomish County. They awarded \$80,000 for the City Park spray and play revitalization project. The request is for Council to authorize the Mayor to sign the Interlocal Agreement to receive the \$80,000. She described other funding for the project, advising the project is currently in design and expected to go out to bid this fall, with construction March – May, and open for the 2014 summer.

Action: Schedule on Consent Agenda.

D. Restoration of the Parks Irrigation Budget

Ms. Hite relayed Council President Petso's request for \$15,000 to restore the complete irrigation budget with funding from fund balance. Irrigation at fields and parks was reduced, and due to hot weather, grass is turning brown and there have been public comments. Councilmember Fraley-Monillas was concerned that not irrigating was not maintaining parks and that it affected citizens' ability to use parks. Ms. Hite assured parks were being maintained; the reduction in irrigation was intended to allow grass to go dormant in the summer which also reduced seasonal labor costs for mowing. Fields can be damaged by not being irrigated; fields in Hickman, Sierra, Seaview and City Park will be closed before any damage occurs which will affect service levels. Councilmember Yamamoto was concerned with reinstating cuts.

Action: Schedule for discussion at full Council.

F. Authorization to Contract with James G. Murphy to Sell Surplus City Vehicles

Mr. Williams reported this is a police seizure vehicle, a 1994 Ford Explorer. Funds from the sale of the will be placed in the 511 fund.

Action: Schedule on Consent Agenda.

G. May 2013 Monthly Financial Report

Mr. Neumaier reviewed the May 2013 Monthly Financial Report, explaining the City is on track to achieve the budget and slightly exceed revenues. A more thorough presentation will be made at the time of the quarterly financial report. In response to a question regarding the negative YTD trend in gas utility tax, he offered to review prior years' trends and email Finance Committee members.

Action: Schedule on Consent Agenda.

E. Discussion Regarding Budget Amendment to Fund the Development Services Director Position.

Mr. Neumaier relayed Councilmember Bloom's request to fund the Development Services Director position. He reviewed the history of the Development Services Director position and options for funding the position. Anticipating there may be other items Councilmembers want funded in the 2014 budget, Mr. Neumaier encouraged the Council to make priority decisions as part of the 2014 budget.

Mayor Earling explained he met with Councilmember Bloom to discuss her interest in funding the Development Services Director position. Funding that position now would cost \$140,000-150,000, he preferred not to obligate those funds this late in the year but would consider it along with other potential staff additions in the 2014 budget. He anticipated a preliminary budget with revenue and expense projections would be available in 2-3 months.

Councilmember Yamamoto recommended this be discussed by the Public Safety & Personnel Committee. Councilmember Fraley-Monillas recommended discussion with the full Council.

Action: Schedule for Public Safety & Personnel Committee.

I. Park Impact Fee

Ms. Hite provided an update regarding park impact fees. Mayor Earling vetoed the park impact fee ordinance; the primary concern was change of use, assessing commercial park impact fees at a different rate for retail versus office. The City Attorney has determined from an RCW that exempting change of use is not legal. Staff has worked with the City Attorney and consultant to draft an ordinance that will apply park impact fee to both resident and commercial; commercial will be defined in two categories, manufacturing and office/retail. Under the new ordinance, a park impact fee would only be assessed on new construction; a change of use would not be assessed a park impact fee.

Action: Scheduled for full Council on July 23.

H. Public Comments

Bruce Witenberg, Edmonds, referred to a miscellaneous salary expense in the amount of \$33,000 and over \$58,000 in attorney fees, costs and pre-imposed judgment interest payable to the law firm of Frank Freed Subit & Thomas that were approved on the June 25 Consent Agenda. No information was provided in the agenda memo. He expressed concern with the lack of transparency and said the Council owes the public a televised explanation regarding the expenditures and why attorney fees exceed the miscellaneous salary expense. Councilmember Fraley-Monillas advised the City Attorney will respond.

Ron Wambolt, Edmonds, echoed Mr. Witenberg's concerns. He pointed out the May 2013 Financial Report does not have projections.

Councilmember Yamamoto indicated he would reach out to the city attorney to find out how much information can be released.

Adjournment – The meeting adjourned at 6:51 p.m.