

FINANCE COMMITTEE MEETING MINUTES

February 11, 2014

Councilmembers Present

Councilmember Lora Petso
Councilmember Kristiana Johnson
Mayor Dave Earling

Staff Present

Sarah Mager, Accountant
Brian Tuley, IT Supervisor
Jeff Taraday, City Attorney
Jeannie Dines, Recorder

Public Present

Ron Wambolt
Bruce Witenberg
Roger Neumaier

Councilmember Petso called the meeting to order at 8:28 p.m.

A. Information Technology Update

Mr. Tuley said his focus in 2014 will be on security and resiliency of systems. He reported:

- Credit card processing systems are now hosted rather than in-house which reduces liability and risk
- Several new PCs and laptops have been acquired to eliminate the use of XP which Microsoft will stop supporting in April 2014
- The City has a total of 220 desktop PCs; a 20% per year turnover should be considered
- Backup hardware was purchased via funds in a decision package
- Upcoming issues: the City's 3 telephone systems installed in 2005 are no longer supportable and the City's main server was installed in 2007

Committee members' suggestions included a quarterly IT report discussed by committee and placed on the Consent Agenda. Topics for future IT updates included the status of fiber optics, establishing a redundant system and the fiber optics marketing plan.

Action: Information only

B. Surplus Computer Equipment

Mr. Tully explained this computer equipment is obsolete, non-functional or no longer of useful service to the City. The process of surplus computer equipment is to remove it from service, hold it for 90 days, then wipe the hard drive, and donate or recycle it.

Action: Schedule on Consent Agenda

C. 2013 December Budgetary Financial Report

Ms. Mager reported this is the preliminary report; a final report will be prepared when the financials are completed. The narratives in the quarterly report will resume when a new Finance Director is in place. A brief discussion followed.

Action: Schedule on Consent Agenda

D. Amendment to the Public Facilities District (PFD) Interlocal Agreement and Related City Financial Statement Changes

Edmonds Center for the Arts/PFD Executive Director Joe McIalwain relayed the PFD Board would like an opportunity to have their bond counsel review the Interlocal Agreement.

Alice Ostdiek, Foster Pepper, explained the intent of the amendment was to clarify the debt service payments to reflect the 2002 bonds and the 2012 refunding, the sharing of the refunding savings and to reflect covenants the PFD agreed to in the 2008 bonds and the contingent loan agreement. Councilmember Petso preferred to amend only Exhibit 3 at this time, clarifying debt service payments, and address other issues as necessary in the future.

Mr. McIalwain reported the PFD has documented in its financial statements that it will not restrict payment on the bonds to sales tax revenue. Following further discussion, it was agreed Councilmembers Petso and Johnson and Council President Buckshnis will meet (and confer with Mr. Taraday) to determine whether the proposed amendment (or a simplified version) accomplishes the original intent to revise the Interlocal Agreement to better reflect the current debt service schedule and inform Ms. Ostdiek by the end of February. Review of the Interlocal Agreement by the PFD's bond counsel will be delayed until that determination is made.

Action: Proceed as described above and discuss again at the March Finance Committee meeting.

E. Public Comments

Ron Wambolt, Edmonds, reported the Finance Department's webpage has not been working for the past two weeks.

Bruce Witenberg, Edmonds, relayed his understanding that staff has been having considerable difficulty sending/receiving emails. He reiterated his request that the Finance Committee develop a policy regarding the Council's announcement of litigation and claim settlements. He also requested the Council provide more frequent updates regarding litigation such as upcoming trial dates, significant developments in lawsuits, etc. He summarized it was preferable to have information provided by the Council rather than the press.

Councilmember Petso will email Brian Tuley about the difficulties with the Finance Department webpage and email.

Adjournment – The meeting adjourned at 9:08 p.m.