



**Finance/Administration Committee**  
**City Hall – 200 NE Moe Street**  
**3<sup>rd</sup> Floor Conference Room**

<b>Subject</b>	<b>Meeting Minutes</b>	<b>Date</b>	<b>03/01/17</b>
<b>Recorder</b>	<b>City Clerk Fernandez</b>	<b>Start Time</b>	<b>5:02 PM</b>
<b>Committee Chair</b>	<b>Ed Stern</b>	<b>End Time</b>	<b>6:25 PM</b>
<b>Committee Members</b>	<b>Gary Nystul, Kenneth Thomas, Ed Stern</b>		
<b>Staff Present</b>	Mayor Erickson, Finance Director Booher, Human Resources Manager Kingery, Planning Director Boughton, City Clerk Fernandez		

**Agenda**

No.	Topic	Action/Recommendation/Discussion
<b>1.</b>	<b>Administrative:</b>	
	<p><b>a.</b> Questions &amp; Concerns of the Committee</p>	<p>From the committee review of claims the following were noted:</p> <p>Excess Tipping: Travel claims by two employees were noted as tipping in excess of the allowable 20%. These credit card receipts have been reviewed by staff and the meals were for the employees. There is a city policy on tipping. The department has reviewed the policy with the employees.</p> <p>Escrow question: staff is cleaning up escrow accounts. Past policy was we did not issue a refund for escrow unless they requested it in writing. With new staff downstairs, they are trying to get people off the books in a timely manner.</p> <p>Amazon purchases: trying to get more consistent with documentation. They are going to use the shipping confirmation as back up because it matches the credit card statement.</p> <p>Nystul shared a map that Boughton created of the City-owned properties. Boughton will make hard copies for the committee members. Nystul shared a larger map that the City of Bremerton IT staff prepared. Mayor Erickson stated it is not correct. However, it is in fact taking the official data from the County records. It highlights two name corrections that the county should make in its records.</p>
	<p><b>b.</b> Agenda and Extended Agenda Review</p>	
	<p>1. 03/01/17-Members Absent-</p>	

	2. 03/15/17-Members Absent-	
	c. Committee Minutes of 01/04/17	Approved
	d. Committee Minutes of 01/18/17	Approved
<b>2.</b>	<b>Agenda Items</b>	
	a. Furniture for Vacant Cubicles	<p>Booher noted the need to outfit two empty cubicle spaces. The auditor needs a place in April. She shared the space plans. The cost is around \$12,000 for the third floor and \$9,000 for the second floor. The cost includes the sales tax, installation, and desktops. It will create four spaces on the third floor. There is money in the capital replacement fund. They are still exploring options for downstairs.</p> <p>The committee recommended putting a budget amendment on the consent agenda for the additional workspaces.</p>
	b. Exempt Salary Review	<p>Kingery gave a powerpoint presentation. She noted the Committee may want to review the policy. AWC does not have their 2017 salary data uploaded yet. She has some preliminary 2017 data compiled. Four positions were not reviewed, because they were reviewed in the last 6-18 months. It was hard to find comparable positions with same duties.</p> <p>Kingery asked for direction: review some or all positions. When should it be implemented?</p> <p>Erickson recommends doing this in the fall. We have a budget established for 2017 and 18. This would be a mid-cycle change and she doesn't agree with it.</p> <p>Stern is fine with comparable cities. He noted the cost of living is different for people on other side of the water.</p> <p>Thomas said there is an advantage of looking at salaries in the off year. Implementation should be done every other year. When we have policies of every 3-5 years, it doesn't mesh with the biennial budget. He prefers those cycles be reworked.</p> <p>Nystul asked if the salary reviews were looked at from Bremerton and Port Orchard. He agrees with Thomas on timing, but it important to look at this. He would like to see all the positions to have the whole schedule.</p> <p>Erickson said we have not evaluated our medical policy for ten years. We are going into contract negotiations in 2018. We need to review what is out there for healthcare before the bargaining process. Nystul agrees with the Mayor to look at all benefits (paid time off, longevity, insurance premiums, etc.)</p>

The Committee will continue discussions at the next FAC meeting. Kingery will come back to the Committee in April.

c. Carryover Discussion	Not discussed.
d. Monthly Sales Tax	Not discussed.
e. Compliance with 2 CFR 200	Not discussed.
f. Review of Healthcare Benefits for City Council	<p>Stern said this was looked at 4-5 years ago. It didn't go very far, because the Council would have to come in as a uniform class.</p> <p>Kingery said right now they have one plan for all employees. It is Teamsters insurance, Plan A. There are other plans, but we have negotiated with the Teamsters and Police for Plan A. Eligibility is defined in the union contract: all regular full-time employees. We would need to change the contract to include part-time employees, and would need to get a definition on whether elected officials would be included. We would need to set a number of hours threshold to be included. We may also have to cover other part-time employees if this changes. We cannot just create another group. The contract is up for renewal at the end of next year. We have around 20 part-time employees. The preschool is a classic example.</p> <p>Booher said part of the reason for bumping up the council salary was to help with medical insurance costs. McGinty said part of the problem was the cost became too high when insuring all part-time employees.</p> <p>Booher said the City pays \$1500 a month per person.</p> <p>Booher noted we are such a small group, we don't have a lot of bargaining power. Kingery noted it is hard to find coverage for LEOFF1 retirees.</p> <p>Erickson said we need to educate ourselves. Times are going to become more complicated in the future. Erickson said this analysis would have to be contracted out.</p> <p>Stern said the first question is to find out what the cost would be to hire a consultant.</p> <p>Erickson said she would like to wait a little while longer. This needs to be done in advance of the CBA negotiations. It would be spring 2018. We can start doing our homework this fall.</p> <p>Thomas said this seems very complex, he would like a flow chart.</p> <p>Erickson said she and Kingery can work on a flow chart to provide by the end of April. It will work backwards from the contract negotiations. It will have the decision points defined</p>

		<p>on the chart and what the dates look like.</p> <p>Nystul noted the City of Bremerton tried self-insurance, but it didn't work. They are now with AWC.</p> <p>Erickson noted we need to ask these questions. It doesn't mean we are moving anywhere, just have to do due diligence and educate ourselves on options.</p>
	<p><b>g.</b> Advanced Travel Discussion</p>	<p>Booher noted that the City is going to discontinue advanced travel now that we have credit cards. She will be meeting with each of the departments and educating them on the changes.</p>