



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

Subject	Meeting Minutes	Date	04/19/17
Recorder	City Clerk Rhiannon Fernandez	Start Time	5:02 PM
Committee Chair	Ed Stern	End Time	6:44 PM
Committee Members	Gary Nystul, Kenneth Thomas, Ed Stern		
Staff Present	Mayor Becky Erickson, Finance Director Deborah Booher, City Clerk Rhiannon Fernandez, Planning Director Boughton, Chief Schoonmaker (via teleconference), Deputy Chief Pate, Planning Technician Wytko		

Agenda		
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No.	Topic	Action/Recommendation/Discussion
1.	Administrative:	
	a. Questions & Concerns of the Committee	<p>From the committee review of claims the following concerns were noted:</p> <p>Council FICA/Medicare deductions: the deductions are not the same for all councilmembers, because some councilmembers receive higher wages.</p> <p>Electronic transfers and the need for so many different sign off methods: Booher reviewed staff's review process. Staff receives an invoice or notice of the transaction, it goes to the Finance Director to make sure the expense is covered in the budget. The Accounting Manager takes the info and tracks it in the checkbook to make sure our total cash balance is fine. Then it goes to the Accounts Payable Clerk to post it. There are multiple sets of eyes that review the transactions.</p> <p>Police hotel charge: Officer Gillen had a hotel reserved, but then became injured, and had to cancel the reservation (but the City was billed). The charge was later reimbursed due to the circumstances.</p> <p>Unruh Investments: those are the latecomer's agreements. "Unruh Investments" is their corporate name.</p>
	b. Agenda and Extended Agenda Review	
	1. 04/19/17-Members Absent-	
	2. 05/03/17-Members Absent-	No absences. Booher will be absent May 17. PSRC has a special meeting on May 17, Stern is unsure if he is going to

		attend.
	c. Committee Minutes of March 15, 2017	Approved.
	d. Committee Minutes of April 05, 2017	Approved.
2.	Agenda Items	
	a. Agenda Format Review	<p>Fernandez presented the proposed changes to the Council Agenda based on some feedback from Councilmembers.</p> <p>The Committee recommended moving Item No. 7 - Council Committee Reports up to Item No. 5 in the agenda order. Item No. 4 – Mayor’s Report and Council Comments will remain the same.</p>
	b. Building Permit Reporting / new system status	<p>Nystul said he was interested in finding out from the FAC what they would like to see in reporting.</p> <p>Boughton reviewed the SmartGov implementation and shared the old building permit report from Sunguard. Wytko reviewed new reporting options in SmartGov. They can establish monthly reporting. If there is something in particular the committee wants to see, they can build it.</p> <p>The committee would like a report from planning, building, and engineering in the similar format as the report provided tonight, also on an appropriate basis, provide an updated GIS. The Mayor would love to have all the concomitant agreements (staff plans on inputting the concomitant list into the parcel in SmartGov with an intern).</p> <p>A discussion was held regarding the need for a document management system and the amount of resources that will be needed for that project.</p>
	c. Police Vehicle Replacement Policy / to-date status	<p>Booher reviewed what is in the budget for 2017 and 2018; the state local program (1.2%-1.8%, higher closing costs, no early retirement); bank loans (2.5%-2.65%, flexible retirement, lower closing costs); interfund loan (the fund would have to be determined – water or sewer); use of reserves (no closing costs, no interest, would use hefty chunk of cash, it would be close to threatening the reserve policy for two months of cash). She recapped the choices: debt issue, use of reserves, other departments (building and engineering vehicle \$30,000, and two garbage trucks, \$700,000). She said a letter of intent must be sent in May. The letter does not obligate the City.</p>

Discussion held on future needs of the City and this coming out of the budget cycle. The Mayor said you cannot assume that budgets are built on perfect information. You learn things that cause you to make decisions outside of the budget. The program is close to the budget, it just commits the City for another budget cycle.

Nystul presented the draft Poulsbo police vehicle replacement review, which was based strictly on mileage. Based on the assumption that a Crown Victoria with 100K miles needs to be replaced, then the department needs eight cars this year, three to four cars next year, no cars in the third year and one car in the fourth year.

Thomas is hesitant about using reserves. He is intrigued by the interfund loan, but not for now. He feels the state local program is the best way to go.

Nystul concurs that eight cars should be financed with the state local program this year, then maybe next year an interfund loan could be used for four vehicles, because it is only \$150K. Nystul wants the police department to review his figures before a final recommendation is made to Council.

The Mayor will ask the Engineering department what their needs are.

Booher will bring a letter of intent to the first Council meeting in May. She said once we do the reimbursement resolution, we can start spending the money immediately, just have to make sure we have the level of reserves. We won't get the money until August. The lead time for cars to be built is long, so they can get started on right away.

The Committee recommends moving forward with 8 (or 9 depending on Engineering) vehicles on the state local funding and 3-4 vehicles next year on the interfund loan.

	<p>d. Reimbursement Resolution</p>	<p>Booher reviewed the draft resolution that will come before the Council. It clarifies that we will be spending funds that we plan on reimbursing ourselves with a future debt issue.</p>
	<p>e. Update Lodging Tax</p>	<p>Nystul put this on for general information. There was an interesting discussion with the folks downtown regarding lodging tax.</p> <p>The state law says when the lodging tax recipients report, that report is supposed to go to the Lodging Tax Committee and be available to the Council. That is why Parks & Rec Director McCluskey sent that to everyone a couple weeks ago.</p> <p>Another concern is our contract states that the organizations are supposed to submit their bills monthly and detail how the activities and services performed by the organization during the preceding month has specifically promoted tourism including measurable results.</p> <p>Booher said McCluskey probably wrote the contract this way so that the city can track our funds monthly, and not save up eight months' worth of bills to submit at one time. That is the intent. But as far as the reporting, McCluskey is in charge of that. Discussion was had on how to measure results. It is all subjective.</p> <p>Nystul shared that next year they need to look closer at the Poulsbo Marketing Coalition. They are not an entity, yet they sign the contract that states they will provide a certificate of liability. They need to define which entity they would fall under in order to meet that contractual obligation. That is a problem that he sees we need to start thinking about.</p> <p>Mayor Erickson says the City should take some of these funds and hire an event coordinator who works for the City of Poulsbo. They would do professional outreach. The City of Gig Harbor does this. Stern asked the Mayor to submit an application and provide the Gig Harbor data.</p>