



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

Subject	Meeting Minutes	Date	05/17/17
Recorder	City Clerk Rhiannon Fernandez	Start Time	5:04 PM
Committee Chair	Ed Stern	End Time	6:33 PM
Committee Members	Gary Nystul, Kenneth Thomas, Ed Stern		
Staff Present	Mayor Erickson, Finance Director Booher, City Clerk Fernandez, Human Resources Manager Kingery		

Agenda

No.	Topic	Action/Recommendation/Discussion
1.	Administrative:	
	a. Questions & Concerns of the Committee	None.
	b. Agenda and Extended Agenda Review	
	1. 05/17/17-Members Absent-	
	2. 06/07/17-Members Absent-	
2.	Agenda Items	
	a. Personnel Handbook Updates	<p>Kingery reviewed the changes to the Personnel Handbook which included:</p> <p>Chapter 5 (Compensation Upon Termination)– there were discrepancies with Chapter 8 that Nystul caught. Chapter 5 was correct. She deleted references in Chapter 8 and added details to Chapter 5.</p> <p>Electronic message use policy – a new policy that states only transitory messages can be sent via electronic messaging. Substantive city business needs to be sent via email. Training was given on this policy in December to City staff.</p> <p>Social media policy – more details and procedures for employees when they engage in social media for city business. The City now has a social media archiver, and all sites are now archived. The Parks & Rec department has a page. The Mayor uses her personal account, which is set open for the public to view. A Mayor’s page has been created, but the Mayor has to add people to that page. Discussion was held on keeping campaign info separate.</p>

		<p>Kingery said the changes will be sent to all employees, and she will have them sign another receipt of the personnel handbook.</p> <p>Booher pointed out a change that needs to be made to sick leave payout when people are still employed. Kingery will make this change the next time the manual is revised, since the Council hasn't had time to review this change.</p>
	<p>b. Regulation of Short-Term Transient Rentals (of residences)</p>	<p>Thomas asked how we handle the regulation of short-term transient rents (ex. Air B&B) now, and if we see any problems emerging. The Mayor said she talked with Planning Director Boughton and P&R Director McCluskey about this, and Boughton said in 2013 we had a conversation about how we handle them. We carefully considered a zoning solution and determined it was more problematic at that point than the value it would bring. The problem communities are facing is housing stocks are being taken over by short term temporary rental. So far, we have 12-13 in the City. Our housing stocks have not been hit that hard yet. The other issue was the amount of revenue it generates for LTAC. Those rentals make up 6% of the revenue coming in (Air B&B collects the lodging tax fees and sends it to the City; we send letters to people who rent on their own when we find them). They are really small compared to hotels. We determined we would watch it carefully. We don't want a situation like Leavenworth. We want permanent residents, rather than people coming here, partying, and leaving.</p>
	<p>c. Council Rules and Procedures</p>	<p>City Clerk Fernandez presented the changes to the Council Rules and Procedures related to council quorum noticing, what to do when a meeting is not noticed, and not being able to attend city meetings in an unofficial capacity.</p> <p>The committee reviewed the Council agenda order, and recommended the following order:</p> <ol style="list-style-type: none"> 1. Call to Order 2. Agenda Review 3. Comments from Citizens 4. Mayors Report & Council Comments 5. Consent Agenda 6. Business Agenda (any associated committee reports will be given during the agenda item

at the Chair's direction)

7. Council Committee Reports
8. Department Head Comments
9. Board and Commission Reports
10. Continued Comments from Citizens
11. Mayor & Council Comments
12. Adjournment

	<p>d. Turning the Curve with Results Based Accountability Discussion</p>	<p>Booher said this training is from MRSC, and it is like LEAN. Stern asked if any of the committee members were interested in going. The committee didn't wish to attend. Booher said she has attended similar trainings in the past.</p>
	<p>e. Council Retreat</p>	<p>Big picture things, strategic planning, after the elections. November 18. Breakfast. Second Saturday every two years.</p>
	<p>f. Audit Entrance Conference</p>	<p>Do we have a written response plan for a breach?</p>
	<p>g. State Shared Revenue Impacts</p>	<p>Booher said there are always impacts, but liquor profits and excise taxes are small percentages. They prepared the budget with MRSC recommendations, which took these into account. If they hit our gas tax, she would be concerned. We have never collected anything in the streamlined sales tax mitigation. The City's contribution for the LEOFF 2 retirement rates is 5.5%, and State is 3%. The State is trying to give that other 3% back on the cities, which would be a \$90K hit. That is a big concern if we must pick up the additional 3%. The County collects the fee for homelessness and human services. The Mayor said she is going to work on this. The City has the right to get the money directly.</p>
	<p>h. Council Retreat</p>	<p>The Mayor said she thinks it is time to sit down and discuss where we are and what the concerns are of the Council. She asked if the committee is interested in doing it. The committee is interested in a retreat. They recommended having a strategic meeting after the elections in November. It will be the second Saturday, unless it is Veteran's Day, every other year. This year it will be November 18 (Veterans Day is November 11, 2017).</p>
	<p>i. Audit Entrance Conference</p>	<p>Nystul reported the conference went fine. The question he thought of was if the City had a written response plan for a security plan. The Mayor doesn't know if there is a written plan, but IT are incredibly proactive. They have been audited before, and dealing with CJUS levels of audit. Nystul said this would be a plan of what we do with notifying the public if we are breached. Risk Manager Foster has been working on that with WCIA. Booher said we have a cyber security</p>

		<p>rider on our insurance policy.</p> <p>Booher added the auditor will be going over the statements for accountability. She passed it out to the department heads. In 2018, there will be an increase in cost for the audit.</p>
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