



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

Subject	Meeting Minutes	Date	07/18/18
Recorder	City Clerk Rhiannon Fernandez	Start Time	5:04 PM
Committee Chair	Kenneth Thomas	End Time	6:47 PM
Committee Members	Jeff McGinty, Kenneth Thomas, Ed Stern		
Staff Present	Mayor Erickson, Finance Director Booher, Human Resources Manager Kingery, Judge Tolman, Project Manager Hendrickson		

Agenda

No.	Topic	Action/Recommendation/Discussion
1.	Administrative:	
	a. Questions & Concerns of the Committee	Thomas reported the Exit Conference for the State Audit was today and we had overall good results. Booher said we received a management letter regarding GASB rules for government wide statement reporting for people doing accrual basis accounting. It is strictly the balance sheet. Moving forward, reports presented to the Council will look different.
	b. Agenda and Extended Agenda Review	McGinty will meet with Stenstrom to discuss cyber security.
	1. 07/18/18-Members Absent-	
	2. 08/01/18-Members Absent-	
2.	Agenda Items	
	a. Election of Committee Chair	Thomas was selected as committee chair.
	b. Investment Policy	Moved to August 1, 2018.
	c. Municipal Court Judge FTE	Kingery said this is regarding the Judge's retirement benefit. He has been at .39 FTE (68 hours a month). When reviewing Dept. of Retirement Services (DRS), he is required to be in PERS if the position is eligible. There is a position eligibility worksheet they do for all employees. Based on the worksheet information, the judge is eligible. DRS wants reporting to occur once we become aware of the eligibility. We need reporting to start on July 1, 2018. The Committee would like the Council to recognize the change, because it is tied in with the salary change coming next year. Thomas will report they are looking at the 0.52 FTE workload and how it impacts retirement. The committee recommends approval.

	<p>d. Business License Ordinance Update</p>	<p>Fernandez reviewed the changes to the business license ordinance that are required as a result of EHB 2005. There are two mandatory changes that must be adopted by October 17, 2018, in order for changes to take effect January 1, 2019. First, the City must set a threshold for businesses not located in city limits (model language has the threshold set at \$2,000 annually). The city must decide if they want to give an exemption or offer fee-free licensing. The Mayor and staff recommend the fee-free option, because it is good to know who is doing business in the city. The second change requires a change in the model language of “engaging in business.” Fernandez will send out the ordinance to staff for any other recommended changes and then bring a red-line copy to the committee on August 15, 2018.</p>
	<p>e. AWC Conference: Workshop Summary</p>	<p>Thomas shared his workshop summary regarding the city manager/administrator topic. Most cities that had city administrators were very enthusiastic about it and offered to have their administrator come and talk to the City Council. Creating a city administrator is easier to implement, because it is not a change of government. The City would create a new position and budget for it, no vote would be needed. Stern asked if they should consider creating a city manager ballot in 2019. Erickson said she would not support a city manager ballot, she has seen too many cities fail at it. You lose the executive branch of government with a city manager. Thomas said from his own experience and looking at this closely, he thinks it would be hard to switch to a city manager. It would be hard to get support from the political electorate, and a city administrator would serve as a transition. He leans towards the city administrator. Fernandez added if a vote was done in 2019, should the vote pass, the city would have to immediately change its form of government. The Mayor would become a councilmember, and the Councilmember in Position 1 would become the ceremonial mayor. All of our codes would have to be rewritten as well. McGinty said he has the same concerns that people are going to wonder why we are moving in that direction. They will want to know what value they are getting with the additional cost. He would like to do a survey monkey to get the feeling of the community. Thomas said there are many resources at our disposal as they continue to explore this topic.</p>
	<p>f. Monthly Sales Tax Report</p>	<p>Booher reported on revenues received in June, generated in April. The City is 12% over the same period last year, and 12% year-to-date. She reviewed the categories that saw increases.</p>
	<p>g. Real Estate Excise Tax Report</p>	<p>Booher reported the City is at 66% of our budget. Looks like there will be no problem meeting budget projections this</p>

		year.
	<p>h. 2019 Request – Behavioral Health Outreach Program</p>	<p>Booher said Hendrickson is requesting is a new program request that would normally be submitted with the next biennium budget. However, she is putting through a grant request and she is coming to the committee to make sure they approve her grant request submittal, because it will require matching city funds. It is earlier in the process, but in order for her to build a budget she has to go through this step first. Hendrickson said as part of the 2018 program, members of the citizens advisory committee that makes recommendations for the grant funding said the treatment tax funding is supposed to start programs, not sustain them. She explained to the CAC committee that none of the cities are ready to pull this in as a completely municipally-funded program. They are looking to have cities provide match. That seemed satisfactory to the CAC, but it was clear if they do not come in with matching funds, their request will not be considered for funding. She said Poulsbo gets the bulk of the program’s focus; however, she thinks it is fair for all cities to share equally in the cost of the navigator services, and she is requesting \$30,000 from each city to cover the navigator function, and is asking the City of Poulsbo for an additional \$30,000 to assist the Mayor on Poulsbo issues and affordable housing. In the past, she has been part-time, and looking to move to full-time. The request is \$30,000 to support navigator services and \$30,000 to support a program manager, a total ask for the City of Poulsbo of \$60,000. She is not looking for money at this point, but a letter of commitment. The grant is due August 1. This will be creating a new department in Poulsbo (health & housing). She is also pursuing other funding opportunities. Erickson said she is in the process of creating an affordable housing plan, and once that is adopted, she will seek document recording fees to give seed capital to run an affordable housing plan independent of the housing authority. Housing Kitsap has not produced any affordable housing because any additional cash they receive goes to the County to pay off condo debt.</p> <p>The committee recommended creating a letter of commitment and will discuss with the full Council at tonight’s council meeting to ask for consensus.</p>