



## Finance/Administration Committee

<b>Subject</b>	<b>Meeting Minutes</b>	<b>Date</b>	<b>05/06/20</b>
<b>Recorder</b>	<b>City Clerk Rhiannon Fernandez</b>	<b>Start Time</b>	<b>5:06 PM</b>
<b>Committee Chair</b>	<b>Ed Stern</b>	<b>End Time</b>	<b>6:39 PM</b>
<b>Committee Members</b>	<b>Jeff McGinty, Gary McVey, Ed Stern</b>		
<b>Staff Present</b>	Mayor Erickson, Finance Director Booher, City Clerk Fernandez, HR Manager Kingery, Accounting Manager Danielson, Senior Budget Accountant Gaines		

Agenda		
No.	Topic	Action/Recommendation/Discussion
<b>1.</b>	<b>Administrative:</b>	
	a. Questions & Concerns of the Committee	Booher reviewed the process and assignment dates.
	b. Agenda and Extended Agenda Review	COVID-19 budget implications will be continued agenda items.
	1. 05/06/20-Members Absent-	
	2. 05/20/20-Members Absent-	
<b>2.</b>	<b>Agenda Items:</b>	
	a. City Administrator Discussion	<p>Kingery reviewed develop of the job description and qualifications. A timeline needs to be developed and a decision needs to be made on whether to fund it in 2022. She reviewed the salary information and comparable cities for city administrators and part-time mayors.</p> <p><u>2020 proposed salary:</u>            Mayor: salary, \$25,044; benefits, \$5,009; total, \$30,052 total. City administrator: salary, \$162,219; benefits, \$48,666; total, \$210,885. Grand total: \$240,937</p> <p>Administrative support would have to also be funded or absorbed in an existing position.</p> <p>Erickson said we do not have the money to fund this position with the current situation.</p> <p>Stern discussed the suggestion from Councilmember Musgrove for adding administrative support to the Mayor's office now. Erickson said she did not request</p>

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		<p>the administrative funding and said it cannot be afforded at this time. She said a mechanic is needed more than administrative help for her office.</p> <p>Discussion on whether to maintain the current Mayor's salary if the City does not move forward with a city administrator was held. Bremerton and Port Orchard have similarly larger salaries. Larger salaries could attract more qualified people to consider running for office. Stern asked the timeline to be able to reduce the salary. It would have to be set before the May 2021.</p> <p>McVey said he was willing to listen and learn about this proposal, but always wondered where the funding would come from, and does not think he can support this proposal at this time. He worries about current budget and the need to start cutting expenditures now.</p> <p>The committee will revisit this in January 2021 to prepare for the May filing date.</p>
	<b>b.</b> Newspaper RFP	<p>Booher reviewed the RFP guidelines. She increased the number of times per week to publish. The NK Herald will have the opportunity to bid, but they will have to meet the requirements of the RFP. Erickson said we have already received 14 packets for the Noll Road bid. She thinks by putting that notification in the Seattle Times helped our bid and allowed us to access a larger market. Discussion was held on who the RFP will be provided to (Kitsap Sun, Seattle Times, Bainbridge Review), the need to understand circulation numbers, and communication with Sound Publishing. The RFP results will be brought back to the committee for review.</p>
	<b>c.</b> Utility Payment Plan Options	<p>Booher reported they wanted to extend waiving penalty payments and shutoffs to the end of June. They want to create payment plans options for customers with past due balances. They will create an application for this process. They wanted the ability to work with people who are struggling and will continue to look at the best options and have legal review it. There is a dual notification option for owners to be notified when the account is in arrears. Discussion was held on how to notice this application process. They could add to the bottom of the bill to go to the website to see options for payment.</p>

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	d. Monthly Sales Tax Report	Booher reported sales tax collected in April, generated in February, they are down 10.75%. February is always the lowest month of the year. Construction was the heaviest hit, since this time last year there was a big construction project going on.
	e. Auditor's Entrance Conference	Booher said it is scheduled for May 13, 2020 at 9:30 a.m. Councilmembers Stern and Musgrove have RSVPed to attend the meeting.
	f. Anticipated Budget Impacts Current Biannual Period from Restricted Sales Activity, etc.	<p>Booher said if we took the full 15% cut in revenues, we are still maintaining a fund balance within the financial policy; however, it cannot be used to fund future shortfalls.</p> <p>Erickson emphasized we do not know what the full impact is going to be. We do not know the percentages; it could be anywhere between 7%-30%. No one really knows; it is speculation at this point. She does not think it is premature to start making reductions. The voluntary separation in 2010 worked effectively. We have some high wage folks on the edge of retirement. They need to chart of the percentage cuts, then look at labor costs and figure out where they can go without layoffs. She does not believe in laying off in the standard way. They are looking at line items for every department but are not comfortable enough in stating a number yet.</p> <p>Erickson would like to look at this around mid-June. Tax revenues can be estimated, it is the revenue from the 2nd floor that is concerning due to projects delaying or cancelling out. She feels mid-June is not too late to have this discussion. They know some adjustments must be made; they are not comfortable with saying the amount just yet.</p>
3.	<b>Mayor and Department Head Comments:</b>	None.