

FINANCE COMMITTEE MEETING MINUTES

December 10, 2013

Councilmembers Present

Councilmember Joan Bloom
Councilmember Diane Buckshnis

Staff Present

Roger Neumaier, Finance Director
Al Compaan, Police Chief
Jeannie Dines, Recorder

Public Present

Bill Payne
Ron Wambolt
Bruce Witenberg

Councilmember Buckshnis called the meeting to order at 7:33 p.m.

A. 2014 Hourly Wage Scale

Mr. Neumaier explained the City annually increases its wage structures to reflect the City's COLA and the State minimum wage. No action is necessary, this is for information only.

Action: Schedule on Consent Agenda

B. Municipal Employees' Benefit Trust (MEBT) Plan Restatement

Police Chief Compaan explained MEBT replaces Social Security for City employees; employer and employee contributions are equal to Social Security. The IRS requires plan documents for tax-qualified retirement plans be restated or updated periodically. The restatement was reviewed by the plan attorney.

Action: Schedule on Consent Agenda

C. 2013 Final Budget Amendment

Mr. Neumaier reviewed the amendments:

1. Increase in professional services to reallocate funds from the City Attorney budget to the Council budget
2. Transfer from Non-Departmental to City Clerk's Office for costs associated with retirement payout for City Clerk
3. Request from the Finance Department to upgrade budget module
4. Salary adjustment in Public Works was under-budgeted in 2013 budget
5. Appropriation for Parking Permit Fund to purchase equipment
6. Expenditure for Sister City 25th anniversary events
7. Amendment to support settlement agreement between City and Meiers
8. Authority to pay for ESCO III project

Action: Schedule for full Council

D. 2013 October Budgetary Financial Report

Mr. Neumaier relayed there are no major changes from the September report. Based on preliminary projections, revenue is \$120,000 less than projected in the budget, and under expenditures are \$337,000 greater; a net increase of over \$200,000.

Mr. Neumaier advised the Finance Department will provide Councilmembers a revised 2014 budget in January. It is available to the public from the City Clerk for photocopying fee.

Action: Schedule on Consent Agenda

E. Review Interlocal Agreement Clarification between City and EPFD

Mr. Neumaier relayed the Auditor has indicated to the City and EPFD that prior period adjustments can be removed if the City and EPFD agree in a written letter that future payments are not limited to sales tax receipts. Councilmember Buckshnis suggested the financial statements could be revised and she will prepare an agreement. Councilmember Bloom requested Councilmembers have an opportunity to review the Interlocal Agreement. She also asked that the City Attorney review and approve the Letter of Agreement.

Councilmember Buckshnis offered to draft the agenda memo and Resolution/Letter of Agreement that states annual payments may not be limited to sales tax receipts. Mr. Neumaier anticipated the auditor would agree to delay an opinion until next year.

Action: Councilmember Buckshnis will draft a Resolution/Letter of Agreement for full Council consideration in January

F. Council Notification on Financial Reporting

Mr. Neumaier proposed the following revisions to the City Code:

- The Council shall be notified and consulted with by the Finance Department prior to any material changes in financial reporting principles or practices are made to the Consolidated Annual Financial Report.
- On at least an annual basis, the Finance Department will submit and seek authorization from the Council a listing of City accounts receivable to be written off.
- The preliminary CAFR summary be shared with Council prior to the end of May (rather than by April).

Action: Schedule for full Council consideration in January

G. Refinancing of City of Edmonds 2003 UTGO Bonds

Mr. Neumaier explained the City's has the ability to refinance these bonds; the City's Financial Adviser Alan Dashen estimates a \$90,000 - \$100,000 savings. Mr. Dashen has suggested pursuing a bank loan rather than a bond due to the small amount.

Action: Proceed with the process of refinancing.

H. Utility Tax Rate Renewal Ordinance

Mr. Neumaier explained the tax is currently set at 6%; unless renewed, the rate will sunset on December 3, 2013 and return to 5.25%. The rate has been at 6% for 20 years. The reduction of 0.75% would be a revenue decrease of approximately \$186,000. A brief discussion followed regarding whether to allow the rate to return 5.25%. Mr. Neumaier recommended approving the renewal ordinance and considering whether to reduce the percentage later.

Action: Schedule for full Council at the December 17 meeting.

I. Authorization to Contract with James G. Murphy to Sell Surplus City Vehicles

Mr. Neumaier relayed this is standard practice for surplus and seizure vehicles.

Action: Schedule on Consent Agenda

J. Public Comments

Bruce Witenberg, Edmonds, made the following comments:

- There is no single place in the budget where the total budget and expenditures for attorney fees are reported.
- Following executive session, the Council should explain the nature of the settlement, the amount and to whom it was being paid.
- The public should be informed when there are significant developments in litigation that is a matter of public record.
- The City should investigate whether providing the library building and maintenance at no cost to the Snolsle Library District is a good deal for the City and whether that arrangement can be amended.
- Although there is support in the parks survey for a Metropolitan Park District, it is simply another tax.

Ron Wambolt, Edmonds, suggested the monthly financial report include projections for the year. He suggested this could be calculated using the YTD actual plus the budget for the remaining months.

Adjournment – The meeting adjourned at 8:24 p.m.