

FINANCE COMMITTEE MEETING MINUTES

April 8, 2014

Councilmembers Present

Councilmember Lora Petso
Councilmember Kristiana Johnson

Staff Present

Scott James, Finance Director
Stephen Clifton, Comm. Serv./Econ. Dev. Dir.
Sharon Cates, City Attorney's Office
Jeannie Dines, Recorder

Public Present

Ron Wambolt
Roger Hertrich
Bruce Witenberg
Dave Arista
Pam Stiller
Brent Malgarin

Councilmember Petso called the meeting to order at 6:00 p.m. It was agreed to allow citizens to comment during each item.

A. **An Ordinance of the City of Edmonds, Washington, Amending Edmonds City Code Chapter 3.75 Relating to the Edmonds Downtown Business Improvement District Adding Section 3.75.075 to Create an Exemption for New Businesses, Amending Section 3.75.080 to Amend the Delinquent Payment Procedure, and Fixing a Time When the Same Shall Become Effective**

Mr. Clifton explained the BID Board was approached by a BID member asking about an exemption from the assessment for new businesses. The City Attorney determined it could not be retroactive for businesses that have already paid as that would be a gift of public funds. The RCW allows an exemption from the BID assessment for up to one year but a code amendment is required. The BID Board discussed this at their March 27 meeting and supported an exemption for new business for up to 1 year. If the Council approves the ordinance on April 15, it will be effective April 22.

Dave Arista relayed the exemption was unanimously approved by the BID board. The Board was aware the exemption was allowed by RCW and had discussed it during the formation stage of the BID. A brief discussion followed regarding the BID assessment rates for open door and by appointment businesses and the process for instituting the exemption.

Mr. Clifton reported about 10% of businesses in the BID are delinquent, ranging from 1 quarter to 1 year. The code section states accounts are delinquent after 60 days but does not establish a timeline for sending them to collections. The BID Board recommends establishing a 9 month (3 quarter) timeframe before the Finance Director would send it to collections. Councilmember Petso recommended the notice explain the 12% interest rate, collection fee, etc.

Mr. Clifton explained the City Attorney also suggested not renewing a business' license if their fees are delinquent. The BID Board has not discussed that; it is on their April 10 meeting agenda. Ms. Cates will determine whether a public hearing is required for this code amendment.

Brent Malgarin asked whether a business that had not paid its fees would qualify for the new business exemption. Mr. Clifton relayed the City Attorney's analysis that the exemption would be from the effective date of the ordinance. Pam Stiller advised the BID Board agreed it would not be retroactive. Councilmember Petso suggested the City Attorney determine whether the exemption would apply to a business whose fees were delinquent.

Action: Schedule the one year exemption for new businesses for full Council on April 15. Defer the issues of sending a business with delinquent fees to collections and business license renewal to a future agenda.

B. Discussion Regarding the Reporting/Disclosures of Lawsuits and Settlements

Councilmember Petso explained this is the result of citizen requests for more frequent updates and more details. She suggested a quarterly or semi-annual report on a committee agenda and then on the Consent Agenda. Bruce Witenberg relayed his suggestions, 1) recent settlements were disseminated to the public via the press; it would be preferable and more transparent if the Council provided that information following executive session, 2) announce the outcome or significant developments in cases, 3) announce the litigation that is the topic of an executive session. Councilmember Petso said City Attorney Taraday has agreed as a practice that a more detailed announcement will be made when action is taken following an executive session. She relayed another citizen's interest in prospective details such as upcoming trials.

Action: Ms. Cates will discuss with City Attorney Jeff Taraday.

C. Human Resources Department Reorganization

Mr. James explained the proposal is to update the salary ordinance to include a Human Resources Reporting Director; there is no budget impact as Ms. Hite is already serving in that capacity. The salary ordinance would also be updated to include Development Services Director, Human Resources Part-time Assistant and PC Support Technician. Other changes the committee requested included, revising the title of the agenda item to include Amending the Salary Schedule, include special duty pay of 5% and revise the Senior Executive Council Assistant salary to reflect the increase the Council approved for 2014.

Action: Schedule on Consent Agenda.

D. Acting Development Services Director Assignment

Mr. James explained this is a formality to recognize Rob Chave served as Acting Development Services Director from January 1, 2014 - March 31, 2014, and received the corresponding out of class pay. Mr. James will add a motion to the agenda memo.

Action: Schedule on Consent Agenda.

E. 2014 February Budgetary Financial Report

Mr. James reviewed the report, highlighting revenues and expenditures and noting sales tax is up \$100,000 over last year. He responded to committee members' questions regarding several items. It was agreed Mr. James would add an asterisked description for items on which questions were raised. The quarterly report will include a narrative.

Action: Schedule on Consent Agenda.

F. Continued Discussion Regarding Cost to Have the Minutes of the Public Safety/Personnel and Parks, Planning, and Public Works Taped and Transcribed

Committee members and staff discussed methods of recording meetings, past practice of staff preparing committee meetings minutes, whether there is a demand for online committee meeting recordings and the difficulty for staff to present and take minutes at committee meetings.

Action: Experiment next month recording a committee meeting with an iPad and research the cost of digital recorders.

G. Application for a Concession Agreement between the City of Edmonds and Dean Parmenter/Hot Diggity Dog

Councilmember Petso relayed the code was amended in 2012 to require \$5 million aggregate insurance or as recommended by WCIA. Staff in the City Attorney's office consulted with WCIA in February 2014 and they agreed a \$2 million aggregate amount for this type of mobile vending unit was appropriate. Discussion followed regarding the monthly fee, researching agreements and charges for other food vendor carts/trucks in the City as well as fees other cities charge vendor carts/trucks.

Ron Wambolt provided a brief history of the concession space on James Street and the fee charged for this location.

Action: Schedule for Consent Agenda; if internal/external comparables indicate an increase in the fee is appropriate, schedule for full Council.

H. Public Comments

Ron Wambolt, Edmonds, referred to the question he asked at the last meeting regarding salaries in Administrative Service, pointing out YTD salaries are now 15%. Mr. James explained one of the reasons for the increase was the IT Help Desk person was part-time in 2013 and was approved for full-time in 2014. Mr. Wambolt recalled the monthly reports were initiated at his request when the economy was poor. He suggested a narrative would reduce the number of questions.

Bruce Witenberg, Edmonds, did not support having a digital recording being the primary means of communicating committee meetings. If recordings are placed on the website, he recommended indexing the agenda items. He preferred a neutral person transcribe the minutes rather than staff or a Councilmember.

Adjournment – The meeting adjourned at 7:50 p.m.